

**State of California  
Bureau for Private Postsecondary  
And Vocational Education**

**Arnold Schwarzenegger  
Governor**

**Regulations Relating to the Approval of  
Degree-Granting Schools, Out-of-State Degree-Granting  
Schools, Vocational and Non-Degree-Granting Schools, Agents and Agencies,  
and the Student Tuition Recovery Fund**

Title 5, California Code of Regulations  
Division 7.5 Private Postsecondary Education

**Chapter 1.** Council/Bureau Administration

**Chapter 2.** Degree-Granting Schools

**Chapter 3.** Out-of-State Degree-Granting Schools

**Chapter 4.** Vocational and Non-Degree-Granting  
Schools

**Chapter 5.** Provisions Applicable to All Approved  
Postsecondary Institutions

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**Chapter 7.** Student Tuition Recovery Fund

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State Seal

400 R Street, Suite 5000, Sacramento, CA 95814

**Title 5**  
**Division 7.5**  
**Private Postsecondary Education**

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### **Division 7.5. Private Postsecondary Education**

#### **CHAPTER 1.**

#### **COUNCIL ADMINISTRATION**

##### **Article 1. General Provisions**

##### **70000. Definitions.**

(a) "Act" means The Private Postsecondary and Vocational Reform Act of 1989, Chapter 7 (commencing with Section 94700) of Part 59 of Division 10 of the Education Code, including Article 2.5.

(b) "Code" means the Education Code.

(c) "Council" means the Council on Private Postsecondary and Vocational Education.

(d) "Director" means the director appointed by the Council.

(e) "Instructor" means a person who is responsible to conduct one or more classes or components of an institution's educational service.

(f) "Avocational Education" means education offered only for purposes of personal entertainment, personal pleasure or enjoyment such as a hobby. Education that directly leads to an objective other than personal entertainment, personal pleasure or enjoyment is not "education solely avocational in nature." Examples of education that is not "education solely avocational in nature" include, but are not limited to, education that in any manner does any of the following:

(1) Enables a student to qualify for any immigration status, for which an institution is permitted to issue a Certificate of Eligibility for Nonimmigrant Student Status by the United States Immigration and Naturalization Service.

(2) Facilitates the development of learning skills or language proficiency to assist a student to (A) prepare for taking the Test of English as a Foreign Language (TOEFL), (B) enter, study, or complete any educational program offered by an American college or university, or (C) enhance language skills for any business or occupational purpose.

(3) Assists a student to prepare for a test administered in conjunction with any undergraduate or graduate educational program.

(4) Is an educational service offered to lead to any employment in any occupation or job title.



(5) Is represented to enable a student to use already existing knowledge, training, or skills in the pursuit of an occupation or to develop new or enhance existing knowledge, training, or skills in connection with any occupation or job title.

(g) "Recreational Education" is a subcategory of "Avocational Education" as this term is defined in subsection (f). Education which is not "solely avocational in nature" would also not be "solely recreational in nature" as well. "Recreational Education" means education offered for purposes of play, amusement or relaxation. It would also mean education offered for the purpose of teaching fundamentals, skills or techniques of sports or games. For instance, classes in ballroom dancing or golf would be considered "solely recreational in nature" under this definition. They, of course, would also meet the definition of "Avocational Education" in subsection (f) as well.

NOTE: Authority cited: Sections 94755 and 94978, Education Code. Reference: Sections 94700, 94722, 94733, 94740, 94750, 94753.5, 94761, 94764, 94781, 94791, 94823 and 94843, Education Code.

**70010. Application of Division.**

This division applies to all institutions and persons subject to the provisions of the Act.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94302, 94311 and 94316.2, Education Code.

**70020. Communications with Council.**

All correspondence relating to the activities of the Council and all applications, renewals, and remittances, shall be directed to the Council's principal office located in Sacramento, California.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94306, Education Code.

**70030. Delegation of Functions to Director.**

The power and discretion conferred by law on the Council to monitor and investigate institutions or to initiate, review, or prosecute any action to approve, condition, restrict, suspend, deny, or revoke any approval, certificate, permit, right, or privilege under

the Code of this division are delegated to the director or, in the director's absence, to the director's designee.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94304, Education Code.

## **Chapter 2**

### **DEGREE-GRANTING PRIVATE POSTSECONDARY EDUCATIONAL INSTITUTIONS**

#### **Article 1. General Provision**

##### **71000. Definitions.**

(a) The definitions contained in Section 94302 of the Code apply to this chapter.

(b) "Academic Freedom" describes conditions at an institution where scholars and teachers are allowed latitude with respect to their discussions with students and the positions they take. Under such a policy, a faculty member can articulate or even advocate positions or concepts which may be controversial in nature without fear of retribution or reprisal. Since the degree of Academic Freedom permitted will frequently depend heavily on the nature of the institution and its purposes, it is important for each institution to articulate its own policies pursuant to Section 71720(i).

(c) "Chapter" means Chapter 2 of Division 7.5 of Title 5 of the California Code of Regulations.

(d) "Chief academic officer" means the person primarily responsible for the administration of an institution's academic affairs including the supervision of faculty, development of educational programs and curricula, and implementation of the institution's mission, purposes and objectives.

(e) "Chief executive officer" means the person primarily responsible for the overall administration of an institution, including the supervision of the chief academic officer and the chief operating officer. The chief executive officer is often, but need not be, call the "president."

(f) "Chief operating officer" means the person primarily responsible for the administration of an institution's business operation, including finances, management, personnel, and contracting for goods, services, or property.

(g) “Credential” means publicly demonstrated skills and experiences whose achievement has been recognized by an official credential or award given by a professional association. This recognition can also be achieved if there is a general acceptance and recognition of those credentials by members of the profession or industry in the field in which the person will teach.

(h) “Curriculum” means an organized set of courses or discrete modules of learning which are prerequisite to the award of a degree or diploma.

(i) “Degree program” means a curriculum leading to the award of an academic degree that is prescribed for students who must demonstrate achievement of satisfactory learning outcomes established by the institution to earn the academic degree.

(j) “Degree title” is synonymous with the same term used in Education Code Section 94302(o).

(k) “Duly qualified faculty” or “faculty member” means a person who satisfies all of the following:

(1) The person possesses one of the following:

(A) A degree from an institution previously approved or authorized by the Superintendent of Public Instruction, or approved by the Council, a public or private institution of higher learning accredited by an association recognized by the United States Department of Education, or a foreign or other state approved institution employing the faculty member documents that the foreign or other state approved institution at which the faculty member earned his or her degree offers degree programs equivalent to degree programs that are approved by the Council or that are regionally accredited.

(B) A credential generally recognized in the field of instruction.

(2) The degree, professional license, or credential possessed by the person shall be at least equivalent to the level of instruction being taught or evaluated.

(3) The person has entered an agreement with the institutions whereby the person is obliged to conduct one or more of the courses in the institution's curriculum, advise and consult with individual students, or facilitate and evaluate student learning outcomes and progress.

(l) “Educational program” is any progressive or planned system of training, instruction or study and includes two broad categories which are termed (1) degree programs and (2) non-degree programs.

(m) “Emerging new fields of study” means a subject area that is not generally recognized by colleges and universities and by the Council, at the time of the Council's evaluation of the field, as a discipline for degree study in higher education.

(n) “Fees” means any charges to students for goods and services, including equipment, supplies and the use of learning resources, provided by the institution that are not included in the tuition. Fees do not include the cost of textbooks or memorabilia or other purchased items not required for the course of study.

(o) “Innovative method of instruction” or “unique method of instruction” means a new method of instruction, not previously generally recognized by accredited and approved degree granting institutions, as a reasonable approach to teaching a specific curriculum.

(p) “Mission” means an institution's stated educational reasons to exist. The mission shall have all of the following characteristics:

(1) The mission shall include the institution's broad expectations concerning the education which students will receive, including the acquisition of the body of knowledge presented in the educational program, the development of intellectual, analytical, and critical abilities, and the fostering of values such as a commitment to pursue lifelong learning;

(2) The mission shall relate to the educational expectations of the institution's students and faculty and the community which the institution serves.

(q) “Objectives” are methods by which the institution transforms its mission into measurable student learning outcomes.

(r) “Prior experiential learning” or “college level learning experience” means learning of a postsecondary nature as documented learning from a related profession, college level equivalent tests, military training or other college level equivalent experience.

(s) “Purposes” or “goals” means the methods or educational emphases chosen by an institution to fulfill its mission. The institution's purposes relate to why the institution was founded, its particular point of view, its unique or special character, and its relationship to the community it serves.

(t) “Quarter” means at least 10 weeks of instruction or its equivalent as described in subdivision (u)(2).

(u) “Quarter unit” means either of the following:

(1) At least ten (10) hours of college or university level instruction during a quarter plus a reasonable period of time outside of instruction which an institution requires a student to devote to preparation for planned learning experiences, such as preparation for instruction, study of course material, or completion of educational projects; or

(2) Planned learning experiences equivalent to the learning and preparation described in paragraph (1) as determined by duly qualified faculty responsible for evaluating learning outcomes for the award of unit credits.

(v) "Semester" means at least 15 weeks of instruction or its equivalent as described in subdivision (w)(2).

(w) "Semester unit" means either of the following:

(1) At least fifteen (15) hours of college or university level instruction during a semester plus a reasonable period of time outside of instruction which an institution requires a student to devote to preparation for planned learning experiences, such as preparation for instruction, study of course material, or completion of educational projects; or

(2) Planned learning experiences equivalent to the learning and preparation described in paragraph (1) as determined by duly qualified faculty responsible for evaluating learning outcomes for the award of unit credits.

(x) "Tuition" means the cost for instruction normally charged on a per unit or per hour basis. It does not include itemized fees or the cost of textbooks, supplies, transportation, or equipment.

(y) "Unit" or "unit of credit" means a measure of college or university level instruction that is evaluated by duly qualified faculty.

(z) "Vocational diploma program" means an educational program having all of the following characteristics:

(1) The educational program consists of a job training program or other instruction, training, or education that the institution represents will fit or prepare students for employment in any occupation.

(2) The institution offers the educational program to students who do not possess a bachelor's or graduate degree in the field of training.

(3) The institution confers a diploma on students who complete all or a portion of the educational program.

(aa) "Academic year" for a residential program means a term consisting of 30 weeks of instruction and testing which may be divided into shorter terms such as semester, quarters or trimesters. For a correspondence program, "academic year" means the completion of 24 semester units or the equivalent in other units of credit.

(bb) "Full-time Study" means a student is enrolled at the undergraduate for 12 or more semester units of credit (or the equivalent in other units of credit) or is enrolled at the graduate equivalent in other units of credit of courses ranked as graduate level).

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94312 and 94316, Education Code.

**71005. Requirements for a “Course of Study”.**

- (1) The material is designed or organized by duly qualified faculty.
- (2) The material is presented in a logically organized manner or sequence to students.
- (3) The institution establishes specific learning outcomes tied to the sequence of the presentation of the material to measure the students' learning of the material.
- (4) The learning outcomes are evaluated by duly qualified faculty.

NOTE Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94312 and 94316, Education Code.

**71010. Applicability of Chapter.**

- (a) Unless otherwise expressly stated, this chapter applies to the following:
  - (1) Except as provided in subdivision (b), institutions required to obtain the Council's approval to operate pursuant to Section 94310 of the Code and this chapter, and;
  - (2) Owners, corporate directors or members of the governing board, officers, including the chief academic officer and executive officer, and faculty teaching at the institutions subject to the provisions of this chapter.
- (b) This chapter does not apply to institutions eligible to obtain the Council's approval to operate pursuant to Section 94310(i) of the Code, or to their owners, corporate directors, governing board members, officers, chief academic officers, and faculty, except to the extent provisions of this chapter are expressly made applicable by Chapter 3 (commencing with Section 72000) of Division 7.5 of Title 5 of the California Code of Regulations.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94305, 94310 and 94337, Education Code.

**71020. Vocational Diploma Programs Offered By Degree-Granting Institutions.**

Vocational diploma programs offered by an institution approved under Section 94310 of the Code shall be subject to (a) Article 2.5, as defined in Section 73000(c), unless the institution or the program is exempt from Article 2.5 pursuant to Section 94316.1 of the Code and (b) Sections 73210, 73700, 73710, 73720, and 73730 of Chapter 4 of this division.

NOTE: Authority cited: Section 94305 and 94337, Education Code. Reference cited: Section 94310, 94316, 94316.05, and 94316.1, Education Code.

## **Article 2. Application for Approval to Operate and Offer Educational Programs**

### **71100. Application Form.**

(a) Applicants seeking approval to operate pursuant to Section 94310 of the Code, other than Section 94310(i) of the Code, shall complete the "Application for Approval to Provide Educational Services under Education Code Section 94310", Form Application 94310, (rev. 4/93) As used in this article, "application" and "form" mean Form Application 94310.

(b) Applicants seeking approval to offer any additional degree or diploma programs (i.e. any "educational program") or additional degree titles shall complete the application described in subdivision (a) as provided in Section 71360. No person shall offer additional degree or non-vocational diploma programs or additional degree title without first applying for, and obtaining, the Council's approval as provided in this chapter.

(c) Applicants shall submit the form, supporting or additional documentation, and the appropriate application fee, as provided in Section 74000 of this chapter, to the Council for Private Post-Secondary and Vocational Education.

(d) The Council shall charge twenty-five dollars (\$25) per application form.

(e) At the time of the submission of a completed application, an institution shall receive an application fee credit of twenty-five dollars (\$25) for each complete application submitted.

(f) The application shall contain all of the information required by this article.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94330, 94331 and 94331.5, Education Code.

### **71110. Institution's Name, Address, Telephone Number of Primary Administrative Office.**

An institution shall provide the following information on the application form:

(a) The name of the institution.

(b) The address of the institution's primary administrative location in California identified by street address. The institution's primary administrative location in California shall be deemed the institution's principal place of business.

(c) The mailing address of the institution, identified either by street address or by post office box number.

(d) The street address of each campus, branch, or satellite at which the educational programs will be offered, including the identification of the institution's main location and branch locations.

(e) The name, address, and phone number of an individual who will function as the institution's contact person for the purposes of the application.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94315 and 94330, Education Code.

**71120. Form of Business Organization.**

The institution shall specify the form of business organization of the institution (e.g., sole proprietorship, general or limited partnership, for-profit corporation, or nonprofit corporation). If the institution is incorporated, the institution shall also identify the state within which the institution is incorporated and the date of incorporation.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94302, 94310 and 94330, Education Code.

**71130. Institution Ownership and Control; Violations of Law.**

(a)(1) The institution shall identify the name, address and telephone number of each owner of the institution and, to the extent applicable, each general partner, officer, corporate director, corporate member and any other person who exercises substantial control over the institution's management or policies. For the purpose of this paragraph, a person exercises "substantial control over the institution's management or policies" if the person has the authority to cause the institution to expend money or incur debt in the amount of five thousand dollars (\$5,000) or more in any year.

(2) The institution may indicate the address, telephone number, of each person described in paragraph (1) on a separate page which may be filed in a sealed envelope with the application. The Council shall not disclose the information except to entities authorized to inspect records under Section 71930 of this chapter or as may be required by any law or by subpoena or court order.

(b) The institution shall describe the nature and percentage of the ownership interest and any other financial involvement in the institution of any person identified in subdivision (a).



(c) The institution shall provide a statement identifying any person identified in subdivision (a) who –

(1) Was found in any judicial or administrative proceeding to have violated the Act or the law of any other state related to untrue or misleading advertising, the solicitation of prospective students for enrollment in an educational service, or the operation of a postsecondary school;

(2) Was the subject of any of the grounds for denial set forth in Section 480 of the Business and Professions Code;

(3) Was subject to a finding, as described in Section 94330(k)(4) of the Code, in any judicial or administrative proceeding; or

(4) Has stipulated to a judgment or administrative order or entered a consent decree involving any of the matters described in this section.

(d) The institution shall furnish an explanation of any legal action pending against the institution or ownership or any of the institution's owners, officers, corporate directors, administrators, or instructors by any federal, state, or local law enforcement agency involving alleged acts of fraud, dishonesty, financial mismanagement, unpaid liabilities to any governmental agency or claims for pecuniary loss suffered by any student.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310 and 94330, Education Code; and Section 480, Business and Professions Code.

#### **71140. Organization and Management.**

(a) The institution shall include in its application an organization chart that shows the governance and administrative structure of the institution and the relationship between faculty and administrative positions.

(b) The institution shall provide a description of the job duties and responsibilities of each administrative and faculty position.

(c) The institution shall identify the chief executive officer, chief operating officer, and chief academic officer and describe their education, experience, and qualifications to perform their duties and responsibilities.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310 and 94330, Education Code.

**71150. Governing Board.**

If the institution has a governing board, the application shall include the name, work address, and telephone number of each member of the governing board.

NOTE: Authority cited: Section 94305 and 94337, Education Code. Reference Section 94301, 94310, and 94330, Education Code.

**71160. Institution Representative.**

The application shall contain the name, work address, and telephone number of the person with whom the Council will correspond and conduct legal transactions on behalf of the institution.

NOTE: Authority cited: Section 94305 and 94337, Education Code. Reference Sections 94301, 94310, 94330 Education Code.

**71170. Mission, Purposes, and Objectives.**

The institution shall describe in detail its mission, purposes, and objectives.

NOTE: Authority cited: Section 94305 and 94337, Education Code. Reference Section 94310, Education Code.

**71180. Exemplars of Student Agreements.**

The institution shall include, with its application, exemplars of all student enrollment agreements and instruments of indebtedness.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94312 and 94330, Education Code.

**71190. Financial Aid Students.**

If an institution receives financial aid because its students qualify for it under any state or federal financial aid program, it shall provide a statement of its policies, practices, and disclosures regarding financial aid.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94312.2, 94343.5 and 94330, Education Code.

**71200. Advertising and Other Public Statements.**

(a) The institution shall include in its application copies of advertising and other statements disseminated to the public in any manner by the institution or its representatives that concern, describe, or represent each of the following:

- (1) The institution.
- (2) The branch campus for which approval is sought, if applicable.
- (3) Each educational service offered by the institution.

(b) If the application is for approval to offer a particular educational service, degree title, or degree program, the information required by subparagraph (3) of this section shall relate to that particular educational program, degree title, or degree program.

(c) If advertising is broadcast by television or radio, the application shall also include a copy of the script.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94312, 94312.2 and 94330, Education Code.

**71210. Instruction and Degrees Offered.**

(a) The institution shall identify and describe the educational program it offers, or proposes to offer. If the educational program is a degree program, the institution shall identify the full title which it will place on each degree awarded.

(b) In addition to the general title, such as “Bachelor of Arts” or “Master of Science”, each degree title shall include the name of a specific major field of learning involved.

(c) In addition, the institution shall list the following for each educational program offered:

- (1) The admissions requirements, including minimum levels of prior education, preparation, or training;
- (2) The types and amount of general education required;
- (3) The title of the educational programs and other components of instruction offered, including a description of the level of the courses (e.g., below college level, undergraduate level, graduate level);
- (4) The mode of instruction;
- (5) The graduation requirements.
- (6) Whether the program is designed to fit or prepare students for employment in any occupation.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94312 and 94330, Education Code.

**71220. Description of Educational Service.**

The application shall contain the following for each educational program that the institution offers or proposes to offer:

- (a) A description of the educational program.
- (b) A description of the equipment to be used during the educational program.
- (c) A description of the number and qualifications of the faculty needed to teach the educational program.
- (d) A projection, and the bases for the projection, of the number of students that the institution plans to enroll in the educational program during each of the three years following the date the application was submitted.
- (e) A description of the learning, skills, and other competencies to be acquired by students who complete the educational program.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310, 94312, 94320 and 94330, Education Code.

**71230. Instruction in Languages Other Than English.**

If the institution offers an educational program in a language other than English, the application shall contain a description of all of the following for each educational program.

- (a) The number of students grouped by the language in which they are fluent.
- (b) The language in which the educational program will be offered to each language group of students.
- (c) The number of faculty who will teach each language group of students and the faculty's qualifications to teach in that language.
- (d) The language of the textbooks and other written materials to be used by each language group of students.

NOTE: Authority cited: Section 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

**71240. Financial Reports.**

(a) If an institution is not operating in California at the time it applies for approval to operate, the institution shall submit a financial report, including reviewed financial statements.

(b) If an institution is operating in California at the time it applies for approval to operate for itself or for a branch campus or for approval to offer additional programs or degree titles, the institution shall submit a copy of the most recent financial report it was required to submit by the Act or this chapter and a detailed description of any material changes in any of the information contained in that financial report or a statement indicating that there are no material changes.

(c) Each financial report shall comply with Section 71950 of this chapter.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94311.4, 94312.2 and 94330, Education Code.

**71250. Faculty.**

(a) The application shall contain the name of each full-time and part-time faculty member.

(b) The application shall include a detailed description of all of the following for each faculty member:

(1) Educational background, including earned degrees, the names of the institutions awarding the degrees, and the dates the degrees were conferred.

(2) Fields of specialization.

(3) Teaching, research and, administrative experience.

(4) Teaching assignments for the current year.

(5) Other duties assigned for the current year.

(c) The institution shall describe the faculty's role in curriculum development.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

**71260. Facilities and Equipment.**

(a) For each program offered, the application shall contain a description of the facilities and the equipment which is available for use by students at the main, branch, and satellite locations of the institution.

(b) For facilities that are leased or rented, the application shall contain the name and address of the lessor or landlord, together with a copy of any use, lease, or rental agreements for the facilities.

(c) The description of the physical facilities shall include building diagrams or campus maps to assist the Council in locating these facilities. The diagrams or maps shall identify the location of classrooms, laboratories, workshops, and libraries.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94430, Education Code.

**71270. Libraries and Other Learning Resources.**

The application shall include a description of library holdings, services, and other learning resources, including policies and procedures for supplying them to students who do not receive classroom instruction. The description need not consist of a list of each holding. The description shall include an explanation of how the library and other learning resources are sufficient to support the instructional needs of students and, if no facilities exist at the institution, how and when students may obtain access to a library and other learning resources.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

**71280. Student Services.**

The application shall include a description of student services, if any, including provisions for academic counseling and textbook purchases.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

**71290. Copy of Catalog.**

The application shall include a copy of the institution's catalog, including addenda reflecting newly approved educational services, in published or proposed-to-be-published form. The catalog shall meet the requirements of the Act and of Section 71810 of this chapter.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94312 and 94330, Education Code.

**71300. Graduation Documents.**

Each institution shall submit a copy of the document awarded to graduating students upon their successful completion of the educational program.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

**71310. Recordkeeping; Custodian of Records.**

(a) The application shall contain a description of how records required by the Act or this chapter are or will be organized and maintained, the types of documents contained in student files, how the records are stored, and whether academic and financial records are maintained in separate files. The description shall include a statement of the institution's procedures for security and safekeeping of records.

(b) The description shall include the name, work address and telephone number of the custodian of records, and the address and telephone number of the office where the records will be maintained.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94312 and 94330, Education Code.

**71330. Operation Plan.**

(a) If an institution, or the branch for which an institution seeks approval, is not operating in California, the institution shall file an operational plan with its application

(b) The operational plan shall include all of the following items:

(1) A description of how the background and experiences of the owners or the board of directors will help the venture to succeed.

(2) A detailed time line for implementation of the plan, the approximate date for the Council's on-site review and the target date for initial enrollment.

(3) An outline of the procedure for monitoring the budget, enrollment projections, outcomes, and adherence to the operational plan during the start-up phase.

(4) A list of operational goals and milestones for the first three years of operation.

(5) A financial analysis for the first three years outlining the sources of revenue, assumptions underlying the revenue, and capital. The financial analysis shall include a projection of expenses including: all personnel costs, instructional costs other than personnel, student services expenses, library/learning center resources,

advertising and marketing expenditures, travel, plant operations, debt service, and capital investments.

(6) A projected enrollment for each educational program by year for the first three years of operations.

(7) A detailed outline for the addition of teaching personnel during the first three years.

(8) If the operational plan calls for physical plant expansion during the initial three years of the business, the expansion plan.

(c) The operational plan shall include a financial report as provided in Section 71240 of this chapter.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94311.4 and 94330, Education Code.

**71340. Additional Information.**

(a) The institution shall include in the application any material facts which have not otherwise been disclosed in the application that might reasonably affect the Council's decision to grant an approval to operate. In this context, a fact would be "material" if it would change the Council's decision concerning the institution's ability to comply with any applicable provisions of the Postsecondary Act.

(b) The institution may also include in the application any other facts which the institution would like the Council to consider in deciding whether to grant an approval to operate.

(c) For the purposes of this section, a fact is "material" if, without its inclusion into the application, the information contained in the application would be false, misleading, or incomplete.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94311, 94311.4 and 94330, Education Code.

**71360. Approval for A Particular Educational Program or Degree Title.**

If an institution is applying for approval to offer a particular degree or diploma program or a degree title that (1) had not been offered at the time the institution applied for approval to operate or (2) had not been offered at the campus at which the institution proposes to offer it, all of the following shall apply

(1) The institution shall supply information required by Section 71200 through 71300, inclusive. Except for the required financial information, the



information shall pertain to the proposed degree or non-vocational diploma program or degree title.

(2) The institution shall supply information required by Section 71110 through 71190, 71310, and 71320 only if the information contained in the institution's most recently filed application for approval is no longer accurate

(3) The institution shall comply with Section 71340, 71350, and 71380.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

**71380. Signatures and Certification.**

(a) The application shall be signed, and each fact stated therein shall be declared to be true under penalty of perjury, as follows:

(1) By each owner of the institution, or

(2) If the institution is incorporated, by the chief executive officer of the corporation and each owner of 10 percent or more of the stock, if any, or

(3) By each member of the governing body of a nonprofit corporation.

(b) The declaration shall be in the following form:

“I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature)”

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 2015.5, Code of Civil Procedure; Sections 94310 and 94330, Education Code.

**Article 3. Processing of Applications for Approval**

**71400. Processing of Completed Applications.**

(a) Action by the Council pursuant to Education Code section 94310 shall not commence until a completed application for approval to operate has been submitted to the Council for its review.

(b) Within 30 days after receipt of an application for approval to operate as required by Article 2 of this chapter, the Council shall notify the institution in writing that the application is complete and has been accepted for filing or that the application is not complete. If the application is not complete, the Council shall

specify in the notice what additional information or documents are needed from the institution in order for the application to be deemed complete.

(c) The Council shall consider an application to be complete if it appears that the institution has submitted all of the information, documents, and fees required by the Act and by Article 2 of this chapter. This includes any additional documents the Council may request to determine if the institution's operational plan and its proposed implementation meets the minimum standards of Sections 94310(a) and 94310(b) of the Education Code.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code; Sections 15735 and 15736, Government Code.

**71405. Change in Circumstance Affecting Application Information.**

(a) If, after the submission of an application but prior to the Council's decision to approve or deny an approval to operate, there is any material change in circumstances affecting any information contained in the application or submitted by the institution in support of the application, the institution shall immediately inform the Council in writing.

(b) For the purposes of this section, a change in circumstance is "material" if, without the inclusion of the new or different information into the application, the information contained in or the supporting documentation to the application would be false, misleading, or incomplete.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

**71410. Right to an Administrative Hearing.**

Any institution who receives a notice from the Council stating that its application is incomplete has a right to appeal this action by requesting a hearing. Hearings are to be conducted pursuant to Education Code Section 94330(l) and Government Code Section 11500 et seq.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94330(l), Education Code.

**71415. Length of Approval to Operate.**

The Council shall set the expiration date of an approval to operate for an institution and its branch locations at 120 days after the close of the institution's fiscal

year or other reasonable date, but in no event shall an approval to operate be valid for more than five years after the date of issuance.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code.

### **Article 3.5. Applications From Institutions Operating on December 31, 1990**

#### **71420. Applications From Institutions Operating on December 31, 1990.**

(a) This article applies to institutions that (1) operated on December 31, 1990 under a license, approval, candidate for approval status, or authorization issued by the Superintendent of Public Instruction pursuant to Sections 94310.1, 94310.2, 94310.3, or 94310.4 of the Code then in effect and (2) continued to operate after December 31, 1990 under an extension of an approval to operate or candidate for approval status provided in Section 94310(g) or Section 94310(h) of the Code.

(b) No later than 120 days before the expiration of an institution's approval to operate, or candidate for approval status, provided under Section 94310(g) or Section 94310(h) of the Code, an institution seeking a new approval to operate shall submit a complete application and fees as required by the Act and this chapter.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code.

### **Article 4. Visiting Committees**

#### **71450. Impaneling of Visiting Committees.**

(a) A visiting committee shall make a comprehensive, qualitative onsite review of each institution that applies for an approval to operate within 90 days of the Council's receipt of a complete application unless the Director and the institution's chief executive officer agree to a later date.

(b) The visiting committee shall be appointed by the Director or his/her designee.

(c) An institution seeking the impaneling of a special visiting committee to review the institution's offer of instruction in an emerging field of study, or the offer of instruction through innovative methods of instruction, shall make special application to the director as provided in Section 71490 or Section 71495, whichever is applicable.

(d) The visiting committee shall include educators trained in the academic disciplines of educational programs offered by the institution, and any other person with expertise in the areas listed in Section 94310(b) of the Code, from degree-granting institutions legally operating in this state whom the Director or his/her designee deems necessary to provide a comprehensive, qualitative review. The Director or his/her designee shall appoint a chair of the visiting committee. In addition, the Director or his/her designee may impanel a special committee consisting of one or more technically qualified people to assist the visiting committee in the evaluation of the application and the institution.

(e) The Director or his/her designee shall appoint a member of the Council's staff to serve as the visiting committee's liaison. The staff member shall prepare, with the cooperation of the visiting committee's members, the visiting committee's evaluation report and recommendations.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94305 and 94310, Education Code.

**71455. Challenge to the Visiting Committee.**

(a) The institution being evaluated shall be notified of the identity of the members of the visiting committee at least 45 days before the visit. The notice shall also include a description of the institution's right to object to a committee member and the procedure for objection as provided in this section.

(b) If the institution objects to the inclusion of any person in the visiting committee, the institution may file a written objection with the Director at least 10 days before the visiting committee is originally scheduled to conduct its onsite inspection.

(c) An institution has a right to seek the disqualification of a visiting committee member before the occurrence of the onsite inspection on any of the following grounds:

(1) The committee member has inadequate academic or experiential qualification.

(2) The committee member or his or her family has a financial interest in, or is employed by, a competing institution which offers or proposes to offer any of the educational programs offered or proposed to be offered by the applicant institution.

(3) The committee member is biased. In order to establish that a committee member is biased, the institution must document by written evidence that the member is predisposed to give an unfavorable recommendation.

(d) An institution seeking to disqualify a visiting committee member shall submit copies of all evidence and argument on which it relies when the written objection is filed.

(e) All evidence and argument shall be considered by the Director. The Director shall make the final decision on the composition of the visiting committee before the onsite inspection occurs. There shall be no oral hearing or review of this decision. However, if the Director rejects the objection, the institution may raise the grounds for disqualification in any administrative proceeding that may be held after the inspection occurs.

(f) If an institution has grounds under subdivision (c) to object to the impaneling of a committee member before the occurrence of the onsite inspection and fails to timely object, the institution permanently waives the right to challenge the visiting committee's composition or report on those grounds.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94305 and 94310, Education Code.

#### **71460. Duties of the Visiting Committee.**

(a) The visiting committee shall conduct a comprehensive, qualitative onsite inspection and review of all aspects of the institution's operations to evaluate the institution's efforts to implement its mission, purpose, and objectives and to determine whether the institution complies with the applicable requirements of the Act and this chapter.

(b) The visiting committee's inspection and review may include the examination of documents and records, the inspection of facilities and equipment, the auditing of classes, and the interview of current or former owners, directors, officers, administrators, faculty, and students.

(c) The visiting committee shall cooperate with the Council staff liaison in the preparation of a written evaluation report as described in Section 71465.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94305 and 94310, Education Code.

#### **71465. Visiting Committee Report.**

(a) The visiting committee report shall contain all of the following:

(1) The committee's findings regarding the institution's compliance with the Act and this chapter and facts supporting those findings.

(2) The committee's assessment of the quality of each educational program offered by the institution and facts supporting the assessment.

(3) The committee's assessment of the quality of the institution as a whole and facts supporting the assessment.

(4) The committee's recommendations for quality improvement based on its findings and assessment in the event the Council determines to grant an approval to operate.

(b) A report shall be prepared and submitted to the institution prior to the Council receiving the report and the recommendations. The institution shall have an opportunity to review the visiting committee report and respond to Council staff within fifteen (15) days of the institution's receipt of such report as to errors of fact or erroneous findings based on errors of fact. The Director or his/her designee will review the report and will submit to the Council the visiting committee's report and Council staff's recommendations along with the institution's comments.

(c) Except as provided in subdivision (d), the Council shall accept the visiting committee's report as its basis for taking appropriate action.

(d) The Council shall not be bound by any of the following:

(1) Any facts adduced by the visiting committee that are based on inaccurate or unreliable evidence or that are inconsistent with other facts found by the Council.

(2) The findings or assessment made by the visiting committee if the findings or assessments are not supported by the facts or the facts support different findings or assessments that may be reasonably made by the Council.

(3) The visiting committee's recommendations. Any actions taken which do not follow these recommendations must have some reasonable basis in fact or law.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94305 and 94310, Education Code.

#### **71470. Institution Cooperation With Visiting Committee.**

(a) The institution shall make available for inspection by the visiting committee all records which the visiting committee reasonably deems necessary or appropriate to inspect to determine whether the institution meets the standards of the Act and this chapter. Only those records necessary to establish compliance with the provisions of this Chapter or the Private Postsecondary and Vocational Education Reform Act of 1989 (Ed. Code § 94300 et seq.) are required to be produced under this Section.

(b) The institution shall facilitate the visiting committee's onsite inspection including the inspection of records, inspection of facilities and equipment,

observation of class sessions, or interviews with officers, administrators, faculty, or students.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94305 and 94310, Education Code.

## **Article 5. Emerging Fields of Study and Innovative Methods of Instruction**

### **71490. Emerging New Fields of Study.**

(a) If an institution applying for approval under Article 2 of this chapter seeks Council approval to offer instruction but not a degree in an emerging new field of study, the institution shall submit written documentation establishing that the field of study is based on new or unique applications of information derived from established principles, theories, and bodies of knowledge from disciplines generally recognized in higher education. The Council recognizes that new or unique applications of information may be stimulated by a variety of sources including new social and economic trends.

(b)(1) If an institution seeks approval to award a degree in an emerging field of study, the institution shall comply with subdivision (a) and submit to the Council documentation, including research, publications, written curriculum, and course materials, establishing to the reasonable satisfaction of the Council and a special committee appointed by the director that the emerging field of study should be recognized as a discipline for degree study in higher education.

(2) The special committee shall consist of a team of professional educators in disciplines related to the emerging new field who are affiliated with accredited or Council-approved degree granting institutions.

(c) If the institution establishes that the subject matter area is appropriate for instruction or instruction leading to a degree, the Director shall include on the visiting committee professional educators with expertise, as described in subdivision (b)(2), to evaluate the institution's proposed offer of instruction or a degree program in the emerging new field of study.

(d) If the Council grants approval to the institution to offer instruction but not a degree in an emerging field of study, the institution shall disclose in its catalog and a separate written notice provided to students before enrollment that the educational service in the emerging new field is not approved for degree study and units of credit earned upon completion of the educational service will have limited, if any, transferability, to other institutions because of the nature of the nature of the emerging subject matter.

(e) If the Council grants approval to the institution to award degrees in the emerging new field, the approval shall not exceed three years.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

**71495. Innovative or Unique Methods of Instruction.**

(a) If an institution proposes to use innovative or unique methods of instruction in degree programs, the institution shall demonstrate to the reasonable satisfaction of the Council and a special committee appointed by the director that the proposed method --

(1) Has demonstrable value as a method of delivering concepts and information;

(2) Is equal or superior to the examples of methods of instruction identified in Section 71715(c)(2) and (c)(3);

(3) Leads to the measurable learning outcomes stated by the institution; and

(4) Is explained to the students prior to their enrolling in the course in which the method will be used.

(b) If the institution demonstrates that the proposed method of instruction satisfies subdivision (a), the director shall include in the visiting committee professional educators who are knowledgeable about instructional methodologies to evaluate the proposed method and the institution's implementation of it.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

**Article 6. Change in the Location of Instruction**

**71500. Application to Change Location Required.**

(a) An institution shall apply in writing to the Council for an approval to change the location of its main campus or the location of a branch campus. The application fees required under Title 5 of the California Code of Regulations, Section 74008(h) or 74008(i) shall be submitted at least 60 days prior to the proposed date of the change in location unless the change is necessitated by an emergency, as set forth in Section 71520 of this chapter.

(b) The Council shall inform an institution in writing within 10 days of receipt of an application for a change in the location of instruction that the



application is complete and accepted for filing, or that the application is deficient and what information is required.

(c) An application shall be considered complete if it contains the information required by Section 71505 and is submitted with required fees.

(d) Nothing in this article shall prevent the Council from requesting that the institution provide information, documents, or other evidence in order for the Council to determine whether the new facilities of the institution are sufficient to ensure its capability of fulfilling its program or programs for enrolled students, are appropriate for the defined educational and are sufficient to ensure quality educational programs to the students as provided in Section 94310(a)(w) and (4).

(e) The review of the request and the decision of the Council shall be made within 30 days of receipt of a complete application.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94312, 94320 and 94330(k)(13), Education Code; Sections 15375 and 15376, Government Code.

**71505. Contents of Application for Change in Location.**

(a) The application for a change in location shall be made in writing and shall contain, at a minimum, the following information:

(1) The name, current and proposed addresses, and telephone number of the institution;

(2) A description of the proposed physical facilities;

(3) A description of any equipment to be used at the proposed facilities that is different from the equipment used at the present facility;

(4) A statement, together with an explanation, if there will be any faculty teaching at the proposed facilities who are not currently teaching at the present facilities;

(5) The date on which the institution intends to offer instruction at the new location;

(6) The distance between the approved location and the proposed new location;

(7) The reason for the move;

(8) A description of the actions taken to notify students;

(9) A statement that the person (or persons) whose signature(s) appear(s) upon the application certify(ies) to the best of his/her knowledge that the institution and each signatory comply with all applicable law regarding the operation of an institution;

(10) A statement that the institution has informed students of the change as provided in Section 71510.

(b) The application for a change in location shall be signed under penalty of perjury.

(c) The application shall be made on a completed form entitled "Change of Location of Instruction" (DEGREE-GRANTING INSTITUTIONS, DOCS/REV. LOC 1/92.)

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94312, Education Code.

**71510. Notice to Students of Change in Location.**

(a) An institution shall notify students in writing that it intends to move the location of class instruction. Notice may be any method of delivery enumerated in Code of Civil Procedure Section 1005(b) or by personal delivery.

(b) If the institution proposes to move before it enrolls a student, it shall notify the student of the proposed move before the student enrolls. In all other circumstances, the institution shall notify students no later than the time the institution applies for approval to change location.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94312, Education Code.

**71515. Council Approval.**

The Council shall grant the approval within 30 days of its receipt of a complete application if the Council determines that the move would not affect the institution's compliance with the Act and this chapter and would not be unfair or unduly burdensome to students. If the Council denies the application, the institution has a right to appeal this decision by requesting a hearing pursuant to Education Code Section 94330(l) and Government Code Section 11500 et seq.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94312, Education Code; Sections 15375 and 15376, Government Code.

**71520. Emergency Application for Change in Location.**

(a) An institution may submit a written application for a change in location necessitated by an emergency affecting the health or safety of students or personnel

using the institution's facilities. The emergency application shall contain the reasons why an immediate change in the location of instruction is necessary. The application shall be made on a completed form entitled "Change of Location of Instruction" (DEGREE-GRANTING INSTITUTIONS, DOCS/REV. LOC 1/92.)

(b) Within three days of receipt of an emergency application for approval to change location, the Council shall inform the institution in writing if the application is complete and accepted for filing, or that the application is deficient and what information is required.

(c) The Council shall approve an application for an emergency change in location within 10 days of receipt of a complete application if the Council determines all of the following:

(1) There exists health or safety perils which necessitate the immediate change in location of the institution's main campus or a branch campus.

(2) The move would not affect the institution's compliance with the Act and this chapter.

(3) The move would not be unfair or unduly burdensome to students.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94312, Education Code; Sections 15375 and 15376, Government Code.

## **Article 7. Addition of a Location**

### **71550. Application for Addition of Location.**

An institution shall not add a location unless the institution first applies for, and the Council approves, the addition of a location.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

### **71555. Contents of the Application.**

(a) The application shall be made in writing on a completed form entitled "Addition of Location, Branch Campus or Satellite" (DEGREE-GRANTING INSTITUTIONS, 12/1992/DOCS/REVBRNCH.DEG.) This form shall be signed by the chief executive officer, and shall include the following:

(1) The name, telephone number, and address of the institution.

(2) The address of the proposed new location.

(3) All of the information contained in subdivision (b) for the addition of a branch location and all of the information in subdivision (c) for a satellite location.

(4) A certification of compliance as provided in Section 71370.

(b) The application shall provide all of the following for a branch location:

(1) A detailed explanation of all of the following:

(A) The reasons for establishing a new branch.

(B) How the proposed branch relates to the institution's mission, purposes, and objectives.

(C) When the institution proposes to open the branch.

(D) The number of students which the proposed branch will serve.

(E) The impact of the branch on the financial resources of the institution, including the institution's ability to comply with Section 94311.4 of the Code.

(2) A description of the proposed facility's planned utilization including the programs and degrees that will be offered and the administrative and student services that will be available.

(3) A description of the facility and equipment as provided in Section 71260.

(4) A description of any differences between any programs approved at the main location and programs the institution proposes to offer at the branch location, including differences in admissions standards, degree requirements, curricula, and standards for student achievement.

(5) A description of the faculty as provided in Section 71250 at the proposed branch, including whether faculty would teach only at the proposed branch or would be shared among the institution's locations.

(6) A description of library and other learning resources, as provided in Section 71270, that would be available to students attending the proposed branch.

(7) A description of the planned administrative relationship between the main location and the proposed branch, including the nature and extent of the supervision by the chief academic officer, chief operating officer, chief executive officer, and administrators at the main location over the activities of the proposed branch.

(8) Copies of advertising, as provided in Section 71200, related to the proposed branch.

(9) Any additional information as described in Section 71340.

(c) The application shall provide all of the following for a satellite location:

(1) A description of the facility as provided in Section 71260.

(2) The number of students to be served.

(3) A description of the planned administrative relationship between the main or branch location and the proposed satellite, including the nature and extent of

the supervision by the chief academic officer, chief executive officer, and administrators at the main location over the activities of the proposed satellite.

(4) A description of the courses offered.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

**71560. Processing of Application.**

(a) Action by the Council shall not commence until a completed application and required fees have been submitted to the Council for its review.

(b) Within 30 days after receipt of an application for the addition of a satellite location, the Council shall notify the institution in writing that the application is complete and has been accepted for filing or that the application is not complete. If the application is not complete, the Council shall specify in the notice what additional information or documents are needed from the institution in order for the application to be deemed complete.

(c) The Council shall consider an application to be complete if it appears that the institution has submitted all of the information and documents required by Section 71555.

(d) Nothing in this article shall prevent the Council from requesting that the institution provide information, documents, or other evidence which the Council deems necessary for the evaluation of the institution's application or approval to operate.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code; Sections 15735 and 15736, Government Code.

**71565. Decision on the Application.**

(a) The Council shall approve the application if the institution's offer of education at the proposed location satisfies the minimum standards established in Section 94310(a) of the Code and if no ground for denial exists under the Act or this chapter.

(b) The Council shall make a decision on the merits within 90 days of receiving a complete application unless the Council extends the time for a period not to exceed 90 days to examine information received after the filing of the complete application.

(c) The Council shall make a decision on the merits within 15 days of receiving a complete application for a satellite.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code; Sections 15735 and 15736, Government Code.

## **Article 8. Change of Mission, Purposes, or Objectives or Primary Method of Instruction**

### **71600. Application for Change.**

An institution shall not change its mission, purposes, or objectives or change its primary method of instruction unless the institution first applies for and obtains approval from the Council to make the change. This section does not apply to minor or non-fundamental changes in mission, purpose or objective.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code.

### **71605. Contents of Application.**

An application, signed by the institution's chief executive officer, should be submitted to the Council. The application shall contain all of the following:

- (a) The name, address, and telephone number of the institution.
- (b) A description of the proposed mission, purposes, or objectives or of the new method of instruction.
- (c) A detailed explanation of the reasons for the proposed change.
- (d) A description of the process used and the identity of the people involved in the decision to make the change.
- (e) A description of how the change affects students, administration, and the institution's financial resources.
- (f) If the proposed change would result in any change in existing faculty, facilities, library and learning resources, or student services, the institution shall provide the applicable information required by Section 71250 through 71280, inclusive.
- (g) A description of how the effects of the change will be monitored and evaluated, including the process for determining whether the change achieves the anticipated results.
- (h) A description of how the institution will phase into the new mission, purposes, or objectives or the new method of instruction.
- (i) Any additional information as provided in Section 71340.
- (j) A certification of compliance as provided in Section 71370.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code.

**71610. Processing of Application.**

(a) Action by the Council shall not commence until a completed application and required fees have been submitted to the Council for its review.

(b) Within 60 days after receipt of an application for a change of mission, purposes, or objectives or a change in the method of instruction, the Council shall notify the institution in writing that the application is complete and has been accepted for filing or that the application is not complete. If the application is not complete, the Council shall specify in the notice what additional information or documents are needed from the institution in order for the application to be deemed complete.

(c) The Council shall consider an application to be complete if it appears that the institution has submitted all of the information, documents, and fees required by Section 71650.

(d) Nothing in this article shall prevent the Council from requesting that the institution provide information, documents, or other evidence which the Council deems necessary for the evaluation of the institution's application or approval to operate.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code; Sections 15735 and 15736, Government Code.

**71615. Decision on the Application.**

(a) The Council shall approve the application if the proposed change would not cause the institution to fail to satisfy the minimum standards established in Section 94310(a) of the Code and if no ground for denial exists under the Act or this chapter.

(b) The Council shall make a decision on the merits within 90 days of receiving a complete application unless the Council extends the time for a period not to exceed 90 days to facilitate the work of a special committee, if any, impaneled to assist the Council's evaluation of the application or to examine information received after the filing of the complete application.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94305 and 94310, Education Code; Sections 15735 and 15736, Government Code.

## **Article 9. Change of Institutional Name**

### **71630. Process for Change of Name.**

An institution shall not change its name or use another name unless the institution applies for, and the Council approves a change of name pursuant to the procedure established in Article 4 (commencing with Section 73550) of Chapter 4 of Division 7.5 of Title 5 of the California Code of Regulations.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94312, Education Code.

## **Article 10. Requirements for Branch and Satellite Locations**

### **71650. Branch Locations.**

(a) Only educational services that are approved at the main location shall be offered at the branch.

(b) For the purpose of conducting onsite inspections and evaluations, hotel conference rooms, faculty offices, and homes are not considered branches.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94302 and 94310, Education Code.

### **71655. Satellite Locations.**

(a) A satellite location shall consist only of an auxiliary classroom which is located within 50 miles of a branch or the main location. A satellite shall be maintained only as a temporary facility.

(b) Only educational services that are approved at the main location may be offered at a satellite.

(c) The institution shall maintain no permanent records of attendance or academic progress at a satellite.

(d) No solicitation or enrollment of students shall occur at a satellite, except for the type of facilities enumerated in subdivision (f).

(e) Advertising indicating the location of a satellite shall indicate the temporary nature of the classroom.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94302 and 94310, Education Code.



## **Article 11. Institutional Operating Standards**

### **71700. Applicability of Standards.**

In the event the Council receives a complaint about an institution from a student, the Attorney General or any other federal, state or local agency, the Council may request that the institution document compliance with the standards set forth in the Act and this chapter to obtain and maintain an approval to operate.

NOTE: Authority cited: Sections 94305 and 94377, Education Code. Reference: Sections 94301, 94305, 94310, 94311.4, 94312 and 94330, Education Code.

### **71705. Mission, Purposes, and Objectives.**

(a) An institution shall have a written statement of its mission, purposes, and objectives. The mission, purposes, and objectives shall indicate the kind of education offered, for whom the instruction is intended and the expected outcomes for graduates.

(b) The institution shall document that its educational programs and educational programs are based on its stated mission, purposes, and objectives and that its facilities and equipment, financial resources, administrative capabilities, faculty, library and other learning resources, and student services are sufficient to achieve its stated mission, purposes, and objectives.

NOTE: Authority cited: Sections 94305 and 94377, Education Code. Reference: Sections 94301, 94305, 94310, 94311.4, 94312 and 94330, Education Code.

### **71710. Curriculum.**

(a) The curriculum shall present those subject areas that are necessary for a student to achieve the educational objectives of the educational program in which the student is enrolled.

(b) The institution shall maintain a course outline for each course offered.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code.

**71715. Instruction.**

(a) Instruction shall be the central focus of the resources and services of the institution.

(b) The institution shall document that the instruction offered leads to the achievement of the learning objectives of each course.

(2) Direct instruction requires the physical presence of one or more students and one or more faculty members at the same location. Direct instruction includes instruction presented in a classroom, seminar, workshop, lecture, colloquium, laboratory, tutorial, or other physical learning settings consistent with the mission, purposes, and objectives of the institution.

(3) Indirect instruction does not require the physical presence of students and faculty at the same location but provides for interaction between students and faculty by such means as telecommunication, correspondence, electronic and computer augmented educational services, postal service, and facsimile transmission. The institution shall notify the Council 30 days before the discontinuation of an educational program and immediately upon the decision to eliminate any instruction or other educational service offered by the institution.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94305 and 94310, Education Code.

**71720. Faculty.**

(a) Each institution shall employ duly qualified faculty sufficient in number to provide the instruction, student advisement, and learning outcomes evaluation necessary for the institution to document its achievement of its stated mission, purposes, and objectives, and for students to achieve the specific learning objectives of each course offered. Faculty employed at an institution on the date of the implementation of the regulations, who do not meet the qualifications, will have three years to earn the degree or experience necessary to qualify them for their position.

(b) Each institution shall develop and implement written policies and procedures providing for the participation by duly qualified faculty in the conducting of research, development of curricula, academic planning, enforcement of standards of academic quality, pursuit of academic matters related to the institution's mission, purposes, and objectives, establishment of criteria for contracting with new faculty, and evaluation of faculty credentials.

(c) In determining the number of faculty sufficient to satisfy subdivision (a) and to implement the policies established pursuant to subdivision (b), the institution shall base its faculty requirements on all of the following factors:

- (1) The educational level and number of students.
- (2) The number of hours needed for direct interaction between students and faculty per course, quarter, semester, or other term.
- (3) The number of hours needed to be spent on evaluating written materials prepared by students, such as correspondence lessons, papers, and examinations, per course, quarter, semester, or other term.
- (4) The number of group meetings per course, quarter, semester, or other term.
- (5) The faculty duties established by the institution as required under subdivision (b).
- (6) The number of hours per week or unites per term considered full-time for faculty in the institution.
- (d) The faculty shall have sufficient expertise to support the institution's awarding of a degree identifying a specialty or major field of emphasis.
- (e) The institution's faculty as a whole shall possess a diverse educational background which shall be demonstrated in part by earned degrees from a variety of colleges and universities or by credentials generally recognized in the field of instruction.
- (f) When contracting for educational services, the institution shall maintain control of, and responsibility for, all academic matters, and shall assure that the instruction and faculty satisfy the standards established by the Act and this chapter.
- (g)(1) In addition to the other requirements of the Act and this chapter, an institution offering instruction by correspondence shall employ a sufficient number of faculty to assure that (A) the institution's response to, or evaluation of, each student lesson is mailed to the student within 10 days after the lesson is received by the institution and (B) the institution's response to, or evaluation of, each student project or dissertation is mailed to the student within the time disclosed in the catalog.
- (2) The institution shall maintain a record of the dates on which lessons, projects, and dissertations were received and responses were delivered. There shall be a rebuttal presumption that the institution's response was made on the date of the postmark on the envelope returning the institution's response or evaluation.
- (h) The institution shall not employ or continue to employ any faculty who were found in a judicial or administrative proceeding to have violated any provision of the Act or this chapter or to have committed any act that would constitute grounds for the denial of a license under Section 480 of the Business and Professions Code.
- (i) Every institution shall have a written Academic Freedom Policy which describes the latitude the institution allows faculty in the classroom so faculty will not violated inadvertently the principles of academic freedom. These policies shall

be made available to any person upon request. The institution shall not take adverse action based on a staff member's exercise of academic freedom consistent with the institution's policy.

(j) The institution shall maintain records documenting that each faculty member is duly qualified and was qualified to perform the duties to which the faculty member was assigned, including providing instruction, evaluating learning outcomes, evaluating graduate dissertations, theses, and student projects, and participating on doctoral committees.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code; Section 480, Business and Professions Code.

#### **71725. Ownership and Management.**

Each owner, corporate director, and chief executive officer, of an institution has the duty to act in the utmost good faith to do all of the following:

(a) Inquire into the operation of the institution and its compliance with applicable law, including the Act and this chapter.

(b) Take all reasonable steps within his or her capacity to cause the institution to comply with all applicable law and to correct the effects of noncompliance.

(c) Disclose immediately to the Council evidence that the institution or any person connected with the institution has engaged in fraud, misrepresentation, misappropriation of funds, or any violation of law prosecutable as a felony, except that no disclosure is required of any matter privileged under Section 940 of the Evidence Code.

(d) Expend or authorize the expenditure of the institution's assets and funds, including tuition, fees, and other charges collected from on behalf of students, in a diligent and prudent manner to assure that students receive the education and student services which were represented to the students and which meet the requirements of the Code and this chapter.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

#### **71730. Administration.**

(a) Each institution shall have a chief executive officer, a chief operating officer and chief academic officer. One person may serve more than one function.

(b) The duties, responsibilities, and performance evaluation criteria for each administrator shall be set forth in a personnel manual or other writing maintained by the institution.

(c) An institution with one or more branch locations shall establish written institutional policies, consistent with subdivision (d), regarding the division and sharing of administrative responsibilities between the central administration at the main location and the administration at the branch locations.

(d) The administrative staffing at each branch location shall reflect the purposes, size, and educational operations at that location and at any satellite location for which the branch has administrative responsibilities.

(e) The chief academic officer shall possess a degree or equivalent acceptable experience at least equal to the highest qualifications required of the institution's faculty. Chief academic officers employed on the date of implementation of these regulations, who do not meet the qualifications for their positions, shall have three years to earn the necessary degrees or experience to qualify them for their position.

(f) The institution shall employ administrative personnel who have the expertise to ensure the achievement of the institution's mission, purposes, and objectives and the operation of the educational programs.

(g) The institution shall not employ or continue to employ any administrative personnel who were found in a judicial or administrative proceeding to have violated any provision of the Act or this chapter or to have committed any act that would constitute grounds for the denial of a license under Section 480.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code; Section 480, Business and Professions Code.

#### **71735. Facilities.**

(a) The institution shall have sufficient facilities and necessary equipment to support the achievement of the educational objectives of all of the courses and educational programs in which students are enrolled.

(b) The institution's facilities, including heating and cooling, ventilation, lighting, classrooms, laboratories, and campus environs, shall be well-maintained. The institution shall adopt safety and security procedures necessary to protect students and shall comply with Section 94380 of the Code, if applicable.

(c) The institution's physical facilities, and any equipment used on the institution's premises or sold to students, shall comply with applicable health and

safety requirements. The institution's facilities and equipment shall be used in accordance with health and safety requirements.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

**71740. Library and Other Learning Resources.**

(a) An institution shall, as part of its curricula, require that students use available library and other learning resources.

(b) Institutions shall provide or make provision for the library and other learning resources needed to support each educational program it offers, including resources such as reference works, periodicals, monographs, and media and equipment specific to the educational programs offered.

(c) The institution shall describe onsite library and other learning resources, if any, that enable students to pursue inquiries, searches for information and documentation, and assignments connected with their study programs.

(d) An institution that depends for library and other learning resources primarily on other institutions' collections and resources not in its possession shall do all of the following:

(1) Describe those library and other learning resources, in the application and catalog.

(2) Provide students and faculty with access to the regular services of a professional librarian or information specialist experienced in the electronic retrieval of information, who shall provide support for faculty in curriculum matters and actively serve as a resource guide for both graduate and undergraduate students.

(3) Assure that students have access to the library collections and resources of another institution, organization, or library.

(4) Document compliance with paragraphs (1) and (2).

(e) Each institution shall assist its students in similar educational programs may convene as a study group if they so choose.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

**71745. Financial Resources.**

(a) The institution shall document that it has at all times sufficient assets and financial resources to do all of the following:

(1) Provide all of the educational services that the institution represented it would provide.

(2) Ensure that all students admitted to its educational programs have a reasonable opportunity to complete the programs and obtain their degrees.

(3) Maintain the minimum standards required by the Act and this chapter.

(4) Pay timely refunds as required by Section 94312(d)(3) of the Code.

(b) An institution shall document that none of the circumstances described in Section 94311.4(b) have occurred.

(c) At an institution's request, the Council may consider the financial resources of a parent corporation if all of the provisions of Section 94316.6(c) of the Code have been satisfied.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310, 94311.4 and 94316.6, Education Code.

**Article 12. Admissions and Academic Achievement Standards****71770. Statement of Admissions Policy.**

(a) The institution shall establish specific written standards for student admissions for each educational program. These standards shall be related to the particular educational program institution shall not admit any student who is obviously unqualified or who does not appear to have a reasonable prospect of completing the program.

(b) The institution shall specify the maximum credit it will accept from another institution for each educational program and the basis upon which the transfer credit will be awarded. The maximum amount of transfer credit shall not exceed that permitted under Section 71850(b) or 71865(b) of this chapter.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310 and 94312, Education Code.

**71775. Standards for Student Academic Achievement.**

Every institution shall maintain and implement procedures for the measurement of student academic progress including the following:

(a) The use of evaluation and assessment measures consistent with the level and abilities of the student and the mission, purposes, and objectives of the institution.

(b) The maintenance of records of student progress that are readily understandable and usable by other accredited or approved institutions for the evaluation of students for admission.

(c) The requirements that students demonstrate their knowledge, skills, and academic achievement through student work products, including tests, essays, written projects, oral presentations, theses, and dissertations.

(d) The award of grades or credits based on evaluation by duly qualified faculty.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310 and 94312, Education Code.

### **Article 13. Contract, Refund, and Catalog Requirements**

#### **71800. Enrollment Agreement and Charges.**

(a) No institution shall offer any educational program, or receive any consideration from any person for an educational program, except pursuant to a written enrollment agreement that contains all of the information prescribed by Section 94312(f) of the Code.

(b) No institution shall enter an enrollment agreement with a student unless the student has first received the institution's catalog.

(c) The enrollment agreement shall set forth all tuition and fees that a student is obligated to pay for the time period covered by the agreement.

(d) A student may cancel an enrollment agreement at any time. If the cancellation is in writing, it is effective on the date of personal delivery or, if mailed, on the date postmarked.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94312, Education Code.

#### **71805. Refunds.**

(a) Every institution shall make refunds that are no less than the refunds required under the Act and this section.

(b) If an institution has collected money from a student for transmittal on the student's behalf to a third party for a bond, library usage, or fees for a license,



application, or examination and the institution has not paid the money to the third party at the time of the student's withdrawal or cancellation, the institution shall refund the money to the student within 30 days of the student's withdrawal or cancellation.

(c) An institution shall refund all charges to a student within 30 days of the institution's cancellation or discontinuation of the course or educational program in which the student is enrolled.

(d) An institution shall refund any credit balance on the student's account within 30 days after the date of the student's completion of, or withdrawal from, the educational program in which the student was enrolled.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94312, Education Code.

#### **71810. Catalog.**

(a) Every institution shall publish a catalog which shall be updated annually. Annual updates may be made by the use of supplements or inserts accompanying the catalog. If changes in educational programs, educational services, procedures, or policies required to be included in the catalog by statute or regulation are implemented before the issuance of the annually updated catalog, those changes shall be reflected at the time they are made in supplements or inserts accompanying the catalog.

(b) The catalog shall contain the information prescribed by Section 94312(h) of the Code and all of the following:

(1) The specific beginning and ending dates defining the time period covered by the catalog.

(2) A statement of the institution's missions and purposes and the objectives underlying each of its educational programs.

(3) The institution's admissions policies.

(4) If the institution admits students from other countries, all of the following disclosures:

(A) Whether English language services, including instruction, are provided and, if so, the nature of the service and its cost.

(B) Whether visa services are provided or whether the institution will vouch for student status, and any associated charges.

(5) The level of English language proficiency required of students and the kind of documentation of proficiency, such as the Test of English as a Foreign Language (TOEFL), that will be accepted.

(6) Whether any instruction will occur in a language other than English and, if so, the level of proficiency required and the kind of documentation of proficiency, such as the United States Foreign Service Language Rating System, that will be accepted.

(7) If the student signs an agreement for the entire program, the tuition and all other fees for the total cost of the program must be detailed. If the student enrolls by the semester or quarter, the catalog shall include: the tuition per unit of credit, the units required per semester or quarter, the number of units required for the degree, a listing of all fees required to be paid and a description of how and when fees are to be paid.

(8) The institution's policies and practices regarding any form of financial aid, including all consumer information which the institution is required to disclose to the student under any state or federal financial aid program.

(9) The institution's policies and procedures for the award of credit for prior experiential learning, including assessment policies and procedures, provisions for appeal, and all charges that a student may be required to pay.

(10) The institution's policies regarding the acceptance of units of credit earned by the student at other institutions or through challenge examinations and standardized tests.

(11) The curriculum appropriate to the educational program offered.

(12) A list of the courses offered in each educational program and a brief description of each course.

(13) The institution's standards for student achievement.

(14) A description of the facilities and of the types of equipment and materials that will be used for instruction.

(15) A description of library and other learning resources and the procedures for student access to those resources.

(16) A description of the institution's practices that are designed to foster student interaction for learning purposes, including practices for convening study groups.

(17) If the institution offers instruction by correspondence, the approximate number of days that will elapse between the institution's receipt of student lessons, projects, or dissertations and the institution's mailing of its response or evaluation.

(18) A description of all student services.

(19) If an institution represents that it provides employment placement services, including contacts with potential employers, a statement detailing the nature and extent of the placement services and indicating when these services would be available to the student.

- (20) Housing information including all of the following:
  - (A) Whether the institution has dormitory facilities under its control.
  - (B) The availability of housing located reasonably near the institution's facilities and an estimation of the approximate cost or range of cost of the housing.
  - (C) If the institution has no responsibility to find or assist a student in finding housing, a clear and conspicuous statement so indicating. A statement that the program is "non- residential" does not satisfy this subparagraph.
- (21) Policies on student rights, including the procedure for addressing student grievances.
- (22) Policies on the retention of student records.
- (23) A description of the student's rights under the Student Tuition Recovery Fund established pursuant to Section 94342 of the Code.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310 and 94312, Education Code.

## **Article 14. Special Provisions Regarding Correspondence Instruction**

### **71830. Degree Programs By Correspondence Instruction.**

- (a) This section applies only to institutions offering degree programs by correspondence instruction.
- (b)(1) Institutions shall mail the first lesson and the initial correspondence material to the student within seven days after the institution accepts the student for admission.
- (2) The student shall have the right to cancel the agreement and receive a full refund before the first lesson and initial correspondence material are received. Cancellation is effective on the date written notice of cancellation is mailed. The institution shall make the refund within 30 days of cancellation. If the institution sent the first lesson and materials before an effective cancellation notice was received, the institution shall make a refund within 30 days after the student's return of the correspondence material.
- (c)(1) An institution shall mail all of the lessons and other material to the student if the student (A) has fully paid for the program and (B) requests all of the material in writing after having received the first lesson and initial correspondence material.
- (2) If an institution mails the balance of the material as the student requests, the institution shall remain obligated to provide the other educational services it agreed to provide, such as responses to student inquiries, student and faculty

interaction, and evaluation and comment on lessons submitted by the student but shall not be obligated to pay any refund after all of the lessons and material are mailed.

(d) The enrollment agreement shall disclose the institution's and student's rights and duties under this section.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94312, Education Code.

## **Article 15. Undergraduate Degree Programs**

### **71850. General Provisions.**

(a) Every student admitted to an undergraduate degree program shall have a high school diploma or meet the institution's written standards demonstrating the ability to succeed in college.

(b) A maximum of 75 percent of the units or credit that may be applied toward the award of a bachelor's degree may be derived from a combination of any or all of the following:

(1) Units earned at institutions approved by the Council, public or private institutions of higher learning accredited by an accrediting association recognized by the United States Department of Education, or any institution of higher learning, including foreign institutions, if the institution offering the undergraduate program documents that the institution of higher learning at which the units were earned offers degree programs equivalent to degree programs approved by the Council or accredited by an accrediting association recognized by the U.S. Department of Education.

(2) Challenge examinations and standardized tests such as the College Level Placement Tests for specific academic disciplines.

(3) Prior experiential learning to the extent permitted under Section 71890.

(c)(1) Graduation requirements for undergraduate degree programs shall include provisions for general education appropriate to the level and type of degree.

(2) At least 25 percent of the requirements for the associate degree and the bachelor's degree shall be in general education. This requirement does not apply to the Specialized Associate Degree (Occupational) or the Associate of Applied Science Degree referenced in Section 71855(a)(1). General education offered as part of these programs shall be necessary for a student to achieve the educational objectives of the program in which he or she is enrolled. General education shall also be at the same level of quality as that taught in Bachelor's or Associate degree programs which are

approved pursuant to Sections 71855 and 71860 of this Article. It shall consist of courses and other organized educational activities designed to introduce students to each of the major divisions of formal learning such as the natural sciences, the social sciences, the humanities, the skills of writing and speaking, and mathematics.

(3) The institution shall specify the distribution of general education requirements by subject area for each undergraduate degree program.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

#### **71855. Associate Degrees.**

(a)(1) The Specialized Associate Degree (Occupational) or the Associate of Applied Science Degree may be awarded only to students who complete at least the learning outcomes equivalent to a minimum of 60 semester units or its equivalent in other units of credit.

(2) A minimum of seventy-five percent of the curriculum shall be in the occupational area for which training is offered.

(b) The Associate in Arts and Associate in Science degrees may be awarded only to students whom the institution can document have achieved sequential learning equivalent in breadth of knowledge and understanding (i.e., general education) to that acquired in two years of college study beyond high school, as measured by a minimum of 60 semester units or its equivalent in other units of credit.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

#### **71860. Bachelor's Degrees.**

The Bachelor's Degrees may be awarded to students whom the institution can document have achieved sequential learning equivalent in breadth of knowledge and understanding (i.e., general education) and equivalent in depth of achievement in a designated major field to that acquired in four years of study beyond high school, as measured by a minimum of 120 semester units or its equivalent in other units of credit.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

## **Article 16. Graduate Degrees**

### **71865. General Provisions.**

(a) Possession of a bachelor's degree or its equivalent shall be required for admission into post-baccalaureate degree programs. The institution shall document that alternatives to a bachelor's degree accepted by the institution are equivalent to a bachelor's degree. If a graduate program leads to a profession or an occupation requiring state licensure and the licensing agency does not require that the members of the profession or occupation possess a Bachelor's degree or its equivalent, this subsection does not apply.

(b)(1) No more than six graduate semester units or the equivalent in other units awarded by another institution may be credited toward a Master's degree.

(2) An institution may accept transfer credits only from the types of institutions of higher learning described in Section 71850(b)(1).

(c) No more than 30 graduate semester units or the equivalent in other units awarded by another institution may be credited toward a doctoral degree. This subsection does not apply to graduate programs which lead to a profession or an occupation requiring state licensure where the licensing agency has a regulation permitting a different standard.

(d) No more than 25 percent of the units required for graduate degree programs may be awarded for a final product such as a thesis, dissertation, or product.

(e) Dissertations, theses and other products submitted by students as part of a graduate program shall be signed by all faculty members recommending the student for an award of a degree.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

### **71870. Master's Degrees.**

(a) The Master's Degree may only be awarded to students who demonstrate at least the achievement of learning in a designated major field that is equivalent in depth to that normally acquired in a minimum of 30 semester units or its equivalent in other units of credit or one year of study beyond the bachelor's degree.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

**71875. Professional Doctoral Degree.**

The professional doctoral degree may be awarded only to students who have completed a prescribed level of study normally requiring a minimum of three academic years of full-time graduate study or the equivalent in part-time study; or, if the program leads to a profession or occupation requiring state licensure, who satisfy the requirements of the state agency. It shall the name of the field in which it is offered (e.g. Juris Doctor or Doctor of Music).

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

**71880. Doctorate Degrees.**

(a)(1) The Doctor of Philosophy degree ("Ph.D.") is a research-oriented degree requiring a minimum of three years of full-time graduate education or the equivalent in part-time study.

(2) The Doctor of Philosophy may be awarded only to students who have completed a program of study that includes research methodology and who have demonstrated learning achievement through original research directly attributable to the student.

(b) Programs leading to the Doctor of Philosophy degree shall include substantial instruction in both theory and research at advanced levels in a designated field and specialty. Each educational program leading to a Doctor of Philosophy degree shall involve preparation for scholarship and systematic inquiry.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

**71885. Doctoral Committees.**

(a)(1) Each Doctor of Philosophy program shall include a minimum of two formal evaluations of the student by a doctoral committee.

(2) The first evaluation shall consider the student's qualifications, including the student's knowledge, skills, and conceptual framework, for undertaking rigorous inquiry into the student's designated field.

(3) The second evaluation shall consider the design procedures and products of a formal original inquiry proposed and completed by the student.

(b) The doctoral committee shall be composed of at least three members of the institution's own faculty.

(c) All of the faculty who serve on each student's doctoral examining committee shall have all of the following qualifications:

(1) All of the faculty shall have doctoral degrees.

(2) The chair and the majority of the committee shall have degrees related to the student's field of investigation.

(3) A minimum of 50% of the faculty on the committee shall have degrees conferred by an institution accredited by an accrediting association recognized by the United States Department of Education or the American Bar Association, unless the accreditation does not exist.

(4) All of the faculty shall have three or more years of field or research experience related to their degrees obtained after they obtained their degrees.

(5) All of the faculty shall have been active in their field of scholarship or profession within the five year period preceding their participation on the committee.

(d) The formal evaluation procedures shall provide the committee as a whole with the opportunity to jointly examine the candidate.

(e) If the candidate is not physically present and the evaluation must take place by telephone or other means of electronic communication, one of the following shall apply:

(1) One faculty member on the student's doctoral committee from the main location (i.e., the state in which the program is licensed or otherwise officially approved) must be present at the location where the doctoral student is examined.

(2) A proctor, selected and approved by the doctoral committee, shall sit as an observer with the student at the distant location and verify, under penalty of perjury under the laws of the State of California, the identity of the student and the facts that the student received no prompting by anyone and did not have access to unallowed materials during the evaluation process.

(f) If a project includes more than one student, the individual student's role and contributions shall be clearly identified and documented.

(g) The institution shall maintain a written record of the evaluations. This record shall include the names and signatures of all committee members who participated in the evaluations.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.



## **Article 17. Prior Experiential Learning**

### **71890. Credit for Prior Experiential Learning.**

(a) An institution may grant credit to a student for prior experiential learning only if the institution complies with this section.

(b) Credit for prior experiential learning may be granted only if all of the following apply:

(1) The prior learning is equivalent to a college or university level of learning.

(2) The learning experience demonstrates a balance between theory and practice.

(3) The credit awarded for the prior learning experience directly relates to the student's degree program and is applied in satisfaction of some of the degree requirements.

(c) Each college or university level learning experience for which credit is sought shall be documented by the student in writing.

(d) Each college or university level learning experience shall be evaluated by faculty qualified in that specific subject area who shall ascertain (1) to what college or university level learning the student's prior experience is equivalent and (2) how many credits toward a degree may be granted for that experience.

(e) The faculty evaluating the prior learning shall prepare a written report indicating all of the following:

(1) The documents in the student's record on which the faculty member relied in determining the nature of the student's prior experience.

(2) The bases for determining that the prior experience (A) is equivalent to college or university level learning and (B) demonstrates a balance between theory and practice.

(3) The bases for determining (A) to what college or university level the experience is equivalent and (B) the proper number of credits to be awarded toward the degree for that experience.

(f)(1) The institution shall designate at least one administrator to be responsible for the review of faculty determinations regarding the award of credit for prior experiential learning.

(2) The administrator shall document the institution's periodic review of faculty evaluations to assure that the faculty written evaluations and awards of credit comply with this section and the institution's policies and are consistent.

(g) The amount of credit awarded for prior experiential learning shall not be related to the amount charged the student for the assessment process.

(h)(1) Of the first 60 semester units awarded a student in an undergraduate program, no more than 15 semester units may be awarded for prior experiential learning.

(2) Of the second 60 semester units (i.e., units 61 to 120) awarded a student in an undergraduate program, no more than 15 semester units may be awarded for prior experiential learning.

(3) Of the first 30 semester units awarded a student in a graduate program, no more than 6 semester units may be awarded for prior experiential learning.

(4) Of the second 30 semester units (i.e., units 31 to 60) awarded a student in a graduate program, no more than 3 semester units may be awarded for prior experiential learning.

(5) No credit for experiential learning may be awarded after a student has obtained 60 semester units in a graduate program.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

## **Article 18. Reports**

### **71900. Annual Report.**

(a)(1) The report of information required by Section 94312.2 of the Code shall cover educational programs offered in the prior calendar year.

(2) The financial report shall cover the institution's prior fiscal year.

(b) Every institution shall have financial statements prepared and signed by an independent public accountant. The form, content and mode of preparation of financial reports shall comply with Section 71905. Whenever it appears to the Council that an institution is unable to meet the financial requirements of Section 94312.2(h) or Section 94316.6(6)(c) of the Education Code, the Council may request that the institution immediately make available for inspection to a representative of the Council, these financial statements at the offices of the institution.

(c) An institution shall file its annual report within 30 days after receiving the annual report form from the Council. The Council may extend the period for filing if the institution demonstrates evidence of substantial need but in no case longer than 60 days. The institution shall not change the date of its filing its annual report because of a change in the fiscal year without the Council's approval.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94311.4, 94312.2 and 94330, Education Code.

**71905. Financial Reports.**

(a) This section applies to every audit, review, statements prepared and signed by independent accountants financial statements required to be prepared or filed by the Act or by this chapter.

(b) Institutional audits and reviews of financial data, including the preparation of financial statements, shall comply with all of the following:

(1) The financial report shall be conducted and prepared in accordance with the generally accepted accounting principles established by the American Institute of Certified Public Accountants by an independent public accountant who is not an employee, officer, or corporate director or member of the governing board of the institution.

(2) Financial statements prepared on an annual basis shall include: a Balance Sheet, Statement of Operations, Statement of Cash Flow, and Statement of Retained Earnings or Capital. Nonprofit institutions shall provide statements as required under generally accepted accounting principles for nonprofit organizations.

(3) The financial report shall establish whether the institution complies with Section 94311.4(a) of the Code and whether any of the circumstances described in Section 94311.4(b) of the Code exist.

(4) If an audit performed to determine compliance with any federal or state student financial aid program reveals any failure to comply with the requirements of the program and the noncompliance creates any liability or potential liability for the institution, the financial report shall reflect the liability or potential liability.

(5) Work papers for the financial report shall be retained for five years from the date of the report and shall be made available to the Council upon request after the completion of the report.

(c) Any audits shall be conducted in accordance with generally accepted auditing standards and shall include the matters described in subdivision (d).

(d) The accountant shall obtain an understanding of the institution's internal financial control structure, assess any risks, and report any material deficiencies in the internal controls.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94311.4, 94312.2 and 94330, Education Code.

## **Article 19. Maintenance and Production of Records**

### **71910. Permits.**

The institution shall maintain on file all valid permits required by public agencies relating to the health and safety of the institution's facilities and equipment.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code.

### **71920. Student Records.**

(a) The institution shall maintain a file for each student who enrolls in the institution whether or not the student completes the educational service.

(b) The file shall contain all of the following applicable information:

(1) Written records and transcripts of any formal education or training, testing, or experience that are relevant to the student's qualifications for admission to the institution or the institution's award of credit or acceptance of transfer credits including the following:

(A) Evidence of high school completion or equivalency or other documentation establishing the student's ability to do college level work.

(B) Records documenting units of credit earned at other institutions that have been accepted and applied by the institution as transfer credits toward the student's completion of an educational program.

(C) Grades or findings from any examination of academic ability or educational achievement used for admission or college placement purposes.

(D) All of the documents evidencing a student's prior experiential learning upon which the institution and the faculty base the award of any credit.

(2) Personal information regarding a student's age, gender, and ethnicity if that information has been voluntarily supplied by the student.

(3) Copies of all documents signed by the student, including contracts, instruments of indebtedness, and documents relating to financial aid.

(4) Records of the dates of enrollment and, if applicable, withdrawal from the institution, leaves of absence, and graduation.

(5) A transcript showing all of the following:

(A) The classes and courses or other educational programs that were completed, or were attempted but not completed, and the dates of completion or withdrawal.

(B) The final grades or evaluations given to the student.

(C) Credit awarded for prior experiential learning, including the course title for which credit was awarded and the amount of credit.

(D) Credit for courses earned at other institutions.

(E) Credit based on any examination of academic ability or educational achievement used for admission or college placement purposes.

(F) Degrees and diplomas awarded the student.

(6) For independent study courses, course outlines or learning contracts signed by the faculty and administrators who approved the course.

(7) The dissertations, theses, and other student projects submitted by graduate students.

(8) A copy of documents relating to student financial aid that are required to be maintained by law or by a loan guarantee agency.

(9) A document showing the total amount of money received from or on behalf of the student and the date or dates on which the money was received.

(10) A document specifying the amount of a refund, including the amount refunded for tuition and the amount for other itemized charges, the method of calculating the refund, the date the refund was made, and the name and address of the person or entity to which the refund was sent.

(11) Copies of any official advisory notices or warnings regarding the student's progress.

(12) Complaints received from the student.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94312 and 94330, Education Code.

#### **71930. Maintenance of Records.**

(a) Except as provided in subdivision (b), an institution shall maintain all records required by the Act and this chapter and that relate to the institution's compliance with the Act and this chapter for at least five years at the institution's primary administrative location in California. Unless the institution has applied for, and the Council has approved a change of the institution's primary administrative location, the primary administrative location shall be deemed to be the location identified in the institution's most recently filed application for approval to operate.

(b)(1) The institution shall maintain for a period of 50 years a transcript as prescribed by Section 71920(b)(5) of this chapter.

(2) The institution shall maintain records relating to federal financial aid programs as provided by federal law.

(c) A copy of each current record required by the Act or this chapter shall be maintained. Current records include records required by Section 71920 of this chapter for students who are attending the institution, who graduated or withdrew from the institution within the preceding one year, or for whom a refund is owed. Current records may be maintained in either printed form or on computer disk so long as they are available for inspection.

(d) A record that is no longer current may be stored on microfilm, microfiche, computer disk, or any other method of record storage only if all of the following apply:

(1) The record may be stored without loss of information or legibility for the period within which the record is required to be maintained by the Act;

(2) The institution maintains functioning devices that can immediately reproduce exact, legible printed copies of stored records. The devices shall be maintained in reasonably close proximity to the stored records at the institution's primary administrative location in California.

(3) The institution has personnel scheduled to be present at all times during normal business hours who know how to operate the devices and can explain the operation of the devices to any person authorized by the Act to inspect and copy records.

(4) Any person authorized by the Act or this chapter to inspect and copy records shall be given immediate access to the document reproduction devices for the purpose of inspecting and copying stored records and shall, upon request, reimburse the institution for the reasonable cost of using the institution's equipment and material to make copies at a rate not to exceed ten cents (\$0.10) per page.

(e) The institution shall maintain a second set of all academic and financial records required by the Act and this chapter at a different location unless the original records, including records stored pursuant to subdivision (d), are maintained in a manner secure from damage or loss. An acceptable manner of storage under this subsection would include fire resistant cabinets.

(f) All records that the institution is required to maintain by the Act or this chapter shall be made immediately available by the institution for inspection and copying during normal business hours by the Council and any entity authorized to conduct investigations under Section 94339 of the Code.

(g) If an institution closes, the institution and its owners are jointly and severally responsible to arrange at their expense for the storage and safekeeping in California of all records required to be maintained by the Act and this chapter for as long as those records must be maintained. The repository of the records shall make these records immediately available for inspection and copying, without charge

except as allowed under subdivision (d), during normal business hours by any entity authorized by law to inspect and copy records.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310, 94312 and 94330, Education Code.

### **Chapter 3.**

## **OUT-OF-STATE DEGREE-GRANTING PRIVATE POSTSECONDARY INSTITUTIONS**

### **Article 1. General Provisions**

#### **72000. Definitions.**

(a) The definitions contained in Section 94302 of the Code apply to this chapter.

(b) “Academic Freedom” describes conditions at an institution where scholars and teachers are allowed latitude with respect to their discussions with students and the positions they take. Under such a policy, a faculty member can articulate or even advocate positions or concepts which may be controversial in nature without fear of retribution or reprisal. Since the degree of Academic Freedom permitted will frequently depend heavily on the nature of the institution and its purposes, it is important for each institution to articulate its own policies pursuant to Section 72720(i).

(c) “Accredited public or private postsecondary educational institution incorporated in another state,” as used in Section 94310(j) of the Code or “regionally accredited out-of-state degree-granting institution,” as used in this chapter, means a public or private postsecondary educational institution incorporated in another state which is accredited by one of the following regional accrediting associations recognized by the United States Department of Education:

- (1) Middle States Association of Colleges and Schools.
- (2) New England Association of Colleges and Schools.
- (3) North Central Association of Colleges and Schools.
- (4) Northwest Association of Schools and Colleges.
- (5) Southern Association of Colleges and Schools.

(d) “Chapter” refers to the chapters contained in Division 7.5 of Title 5 of the California Code of Regulations. “This chapter” or “the chapter” refers to Chapter 3.

(e) “Chief academic officer” means the person primarily responsible for the administration of an institution's academic affairs including the supervision of faculty, development of educational programs and curricula, and implementation of the institution's mission, purposes and objectives.

(f) “Chief executive officer” means the person primarily responsible for the overall administration of an institution, including the supervision of the chief academic officer and the chief operating officer. The chief executive officer is often, but need not be, called the president.”

(g) “Chief operating officer” means the person primarily responsible for the administration of an institution's business operations, including finances, management, personnel, and contracting for goods, services, or property.

(h) “Credential” means publicly demonstrated skills and experiences whose achievement has been recognized by an official credential or award given by a professional association. This recognition can also be achieved if there is a general acceptance and recognition by members of the profession or industry in the field in which the person will teach.

(i) “Curriculum” means an organized set of courses or discrete modules of learning which are requisite to the award of a degree or diploma.

(j) “Degree program” means a curriculum leading to the award of an academic degree that is prescribed for students who must demonstrate achievement of satisfactory learning outcomes established by the institution to earn the academic degree.

(k) “Degree title” is synonymous with the same term used in Education Code Section 94302(o).

(l) “Duly qualified faculty” or “faculty member” means a person who satisfies all of the following:

(1) The person possess degrees from institutions accredited by regional accrediting associations recognized by the United States Department of Education in the degree title and fields of study offered.

(2) The degree, possessed by the person shall be at least equivalent to the level of instruction being taught or evaluated.

(3) The person has entered an agreement with the institutions whereby the person is obliged to conduct one or more of the courses in the institution's curriculum, advise and consult with individual students, and is responsible for the evaluation of the students' performance in the course.

(m) “Educational program” is any progressive or planned system of training, instruction or study and includes two broad categories which are termed (1) degree programs and (2) non-degree programs.



(n) “Fees” means any charges to students for goods and services, including equipment, supplies and learning resources, provided by the institution that are not included in the tuition. Fees do not include the cost of textbooks or memorabilia or other purchased items not required for the course of study.

(o) “Mission” means an institution's stated educational reasons to exist. The mission shall have all of the following characteristics:

(1) The mission shall include the institution's broad expectations concerning the education which students will receive, including the acquisition of the body of knowledge presented in the educational program, the development of intellectual, analytical, and critical abilities, and the fostering of values such as a commitment to pursue lifelong learning;

(2) The mission shall relate to the educational expectations of the institution's students and faculty and the community which the institution serves.

(p) “Objectives” are methods by which the institution transforms its mission into measurable student learning outcomes.

(q) “Operations in California” means all educational programs and services offered in California.

(r) “Prior experiential learning” or college level learning experience” means learning of a postsecondary nature as documented learning from a related profession, college level equivalent tests, military training or other college level equivalent experience.

(s) “Purposes” or goals” means the methods or educational emphases chosen by an institution to fulfill its mission. The institution's purposes relate to why the institution was founded, its particular point of view, its unique or special character, and its relationship to the community it serves.

(t) “Quarter” means at least 10 weeks of instruction or its equivalent as described in subdivision (u)(2).

(u) “Quarter unit” means either of the following:

(1) At least ten (10) hours of college or university level instruction during a quarter plus a reasonable period of time outside of instruction which an institution requires a student to devote to preparation for planned learning experiences, such as preparation for instruction, study of course material, or completion of educational projects; or

(2) Planned learning experiences equivalent to the learning and preparation described in paragraph (1) as determined by duly qualified faculty responsible for evaluating learning outcomes for the award of unit credits.

(v) “Semester” means at least 15 weeks of instruction or its equivalent as described in subdivision (w)(2).

(w) "Semester unit" means either of the following:

(1) At least fifteen (15) hours of college or university level instruction during a semester plus a reasonable period of time outside of instruction which an institution requires a student to devote to preparation for planned learning experiences, such as preparation for instruction, study of course material, or completion of educational projects; or

(2) Planned learning experiences equivalent to the learning and preparation described in paragraph (1) as determined by duly qualified faculty responsible for evaluating learning outcomes for the award of unit credits.

(x) "Tuition" means the cost for instruction normally charged on a per unit or per hour basis. It does not include itemized fees or the cost of textbooks, supplies, transportation, or equipment.

(y) "Unit" or unit of credit" means a measure of college or university level instruction that is evaluated by duly qualified faculty.

(z) "Vocational diploma program" means an educational program having all of the following characteristics:

(1) The educational program consists of a job training program or other instruction, training, or education that the institution represents will fit or prepare students for employment in any occupation.

(2) The institution offers the educational program to students who do not possess a bachelor's or graduate degree in the field of training.

(3) The institution confers a diploma on students who complete all or a portion of the educational program.

(aa) "Academic year" for a residential program means a term consisting of 30 weeks of instruction and testing which may be divided into shorter terms such as semester, quarters or trimesters. For a correspondence program, academic year" means the completion of 24 semester units or the equivalent in other units of credit.

(bb) "Full-time Study" means a student is enrolled at the undergraduate level for 12 or more semester units of credit (or the equivalent in other units of credit) or is enrolled at the graduate equivalent in other units of credit of courses ranked as graduate level). This requirement can be satisfied as long as the student accumulates 24 credits over a 30-week period.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94302 and 94310, Education Code.

**72005 Requirements for a Course of Study.**

- (a) The material is designed or organized by a duly qualified faculty member or by a group of duly designated and qualified faculty members.
- (b) The material is presented in a logically organized manner or sequence to students.
- (c) The institution establishes specific learning outcomes tied to the sequence of the presentation of the material to measure the students' learning of the material.
- (d) The learning outcomes are evaluated by duly qualified faculty.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94312 and 94316, Education Code.

**72010 Applicability of Chapter.**

- (a) This chapter applies to regionally accredited out-of-state degree-granting institutions eligible to obtain the Council's approval to operate pursuant to Section 94310(j) of the Code and to their owners, corporate directors, governing board members, officers, chief academic officers, and faculty.
- (b) Unless otherwise stated, Chapter 2 of Division 7.5 of Title 5 of the California Code of Regulations applies to the operations of regionally accredited out-of-state degree granting institutions within the State of California.
- (c) Article 5 of Chapter 2 of Division 7.5 of Title 5 of the California Code of Regulations does not apply to regionally accredited out-of-state degree granting institutions as defined under this Chapter.
- (d) Sections 72110 through 72170, 72240, 72725, 72730 and 72745 of this Chapter are only applicable to these institution's headquarters located outside the State of California.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310, 94311.4, 94312, 94312.2 and 94330, Education Code.

**72020 Vocational Diploma Programs Offered by Degree-Granting Institutions.**

Vocational diploma programs offered by an institution approved under Section 94310 of the Code shall be subject to: (a) Article 2.5, as defined in Section 73000(c), unless the institution or the program is exempt from Article 2.5 pursuant to Section 94316.1 of the Code; and (b) Sections 73210, 73700, 73710, 73720, and 73730 of Chapter 4 of this division.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94316, 94316.05 and 94316.1, Education Code.

## **Article 2. Application for Approval to Operate and Offer Education Programs**

### **72101. Application Procedures.**

(a) The information required by Section 72180 through 72230, 72260 through 72320, and 72340 through 72360 below shall relate to the regionally accredited out-of-state degree-granting institution's operations in California.

(b) As part of its application, the institution must submit documentation or verification of the fact that it does have regional accreditation.

**NOTE:** Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94330, 94331 and 94331.5, Education Code.

### **72105. Application Form.**

(a) Applicants seeking approval to operate pursuant to Section 94310(j) of the Code, shall complete the "Application for Approval to Provide Educational Services under Education Code Section 94310(j), Form Application 94310(j) (5/95). As used in this article, "application" and "form" mean Form Application 94310(j).

(1) To the extent information required by Chapter 3 is contained in documents filed with the regionally accredited out-of-state degree-granting institution's accrediting agency, the institution may file that documentation with the Council by cross referencing it to the application.

(b) Applicants seeking approval to offer any additional degree or diploma programs (i.e. any educational program") or additional degree titles shall complete the application described in subdivision (a) as provided in Section 71360. No person shall offer additional degree or non-vocational diploma programs or additional degree title without first applying for, and obtaining, the Council's approval as provided in this chapter.

(c) Applicants shall submit the form, supporting or additional documentation, and the appropriate application fee, as provided in Section 74000 of this chapter, to the Council for Private Post-Secondary and Vocational Education.

(d) The Council shall charge twenty-five dollars (\$25) per application form.

(e) At the time of the submission of a completed application, an institution shall receive an application fee credit of twenty-five dollars (\$25) for each complete application submitted.

(f) The application shall contain all of the information required by this article.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94330, 94331 and 94331.5, Education Code.

**72110. Institution's Name, Address, Telephone Number of Primary Administrative Office.**

This regulation is only applicable to the institution's headquarters located outside the State of California.

An institution shall provide the following information on the application form:

- (a) The name of the institution.
- (b) The address of the institution's primary administrative location in California identified by street address. The institution's primary administrative location in California shall be deemed the institution's principal place of business.
- (c) The mailing address of the institution, identified either by street address or by post office box number.
- (d) The street address of each campus, branch, or satellite at which the educational programs will be offered, including the identification of the institution's main location and branch locations.
- (e) The name, address, and phone number of an individual who will function as the institution's contact person for the purposes of the application.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94315 and 94330, Education Code.

**72120. Form of Business Organization.**

This regulation is only applicable to the institution's headquarters located outside the State of California.

The institution shall specify the form of business organization of the institution (e.g., sole proprietorship, general or limited partnership, for-profit corporation, or nonprofit corporation). If the institution is incorporated, the institution shall also identify the state within which the institution is incorporated and the date of incorporation.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94302, 94310 and 94330, Education Code.

**72130. Institution Ownership and Control; Violations of Law.**

This regulation is only applicable to the institution's headquarters located outside the State of California.

(a) (1) The institution shall identify the name, address and telephone number of each owner of the institution and, to the extent applicable, each general partner, officer, corporate director, corporate member and any other person who exercises substantial control over the institution's management or policies. For the purpose of this paragraph, a person "exercises substantial control over the institution's management or policies" if the person has the authority to cause the institution to expend money or incur debt in the amount of fifty thousand dollars (\$50,000) or more in any year.

(2) The institution may indicate the address, telephone number, of each person described in paragraph (1) on a separate page which may be filed in a sealed envelope with the application. The Council shall not disclose the information except to entities authorized to inspect records under Section 71930 of this chapter or as may be required by any law or by subpoena or court order.

(b) The institution shall describe the nature and percentage of the ownership interest and any other financial involvement in the institution of any person identified in subdivision (a).

(c) The institution shall provide a statement identifying any person identified in subdivision (a) who:

(1) Was found in any judicial or administrative proceeding to have violated the Act or the law of any other state related to untrue or misleading advertising, the solicitation of prospective students for enrollment in an educational service, or the operation of a postsecondary school;

(2) Was the subject of any of the grounds for denial set forth in Section 480 of the Business and Professions Code;

(3) Was subject to a finding, as described in Section 94330(k)(4) of the Code, in any judicial or administrative proceeding; or

(4) Has stipulated to a judgment or administrative order or entered a consent decree involving any of the matters described in this section.

(d) The institution shall furnish an explanation of any legal action pending against the institution or ownership or any of the institution's owners, officers, corporate directors, administrators, or instructors by any federal, state, or local law enforcement agency involving alleged acts of fraud, dishonesty, financial mismanagement, unpaid liabilities to any governmental agency or claims for pecuniary loss suffered by any student.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310 and 94330, Education Code; and Section 480, Business and Professions Code.

**72140. Organization and Management.**

This regulation with the exception of subsection (b) is only applicable to the institution's headquarters located outside the State of California.

(a) The institution shall include in its application an organization chart that shows the governance and administrative structure of the institution and the relationship between the out-of-state campus headquarters and its California operations.

(b) The institution shall provide a description of the job duties and responsibilities of those administrative and faculty positions responsible for or engaged in its operations in within the State of California.

(c) The institution shall identify the chief executive officer, chief operating officer, and chief academic officer and describe their education, experience, and qualifications to perform their duties and responsibilities.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310 and 94330, Education Code.

**72150. Governing Board.**

This regulation is only applicable to the institution's headquarters located outside the State of California.

If the institution has a governing board, the application shall include the name, work address, and telephone number of each member of the governing board.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310 and 94330, Education Code.

**72160. Institution Representative.**

This regulation is only applicable to the institution's headquarters located outside the State of California.

The application shall contain the name, work address, and telephone number of the person with whom the Council will correspond and conduct legal transactions on behalf of the institution.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310 and 94330, Education Code.

**72170. Mission, Purposes, and Objectives.**

This regulation is only applicable to the institution's headquarters located outside the State of California.

The institution shall describe in detail its mission, purposes, and objectives.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code.

**72180. Exemplars of Student Agreements.**

The institution shall include, with its application, exemplars of all student enrollment agreements and instruments of indebtedness.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94312 and 94330, Education Code.

**72190. Financial Aid Students.**

If an institution receives financial aid because its students qualify for it under any state or federal financial aid program, it shall provide a statement of its policies, practices, and disclosures regarding financial aid.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94312.2, 94343.5 and 94330, Education Code.

**72200. Advertising and Other Public Statements.**

(a) The institution shall include in its application copies of advertising and other statements disseminated to the public in any manner by the institution or its representatives that concern, describe, or represent each of the following:

- (1) The institution
- (2) The branch campus for which approval is sought, if applicable.
- (3) Each educational service offered by the institution.

(b) If the application is for approval to offer a particular educational service, degree title, or degree program, the information required by subparagraph (3) of this section shall relate to that particular educational program, degree title, or degree program.



(c) If advertising is broadcast by television or radio, the application shall also include a copy of the script.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94312, 94312.2 and 94330, Education Code.

**72210. Instruction and Degrees Offered.**

(a) The institution shall identify and describe the educational program it offers, or proposes to offer. If the educational program is a degree program, the institution shall identify the full title which it will place on each degree awarded.

(b) In addition to the general title, such as Bachelor of Arts” or “Master of Science”, each degree title shall include the name of a specific major field of learning involved.

(c) In addition, the institution shall list the following for each educational program offered:

(1) The admissions requirements, including minimum levels of prior education, preparation, or training;

(2) The types and amount of general education required;

(3) The title of the educational programs and other components of instruction offered, including a description of the level of the courses (e.g., below college level, undergraduate level, graduate level);

(4) The mode of instruction;

(5) The graduation requirements.

(6) Whether the program is designed to fit or prepare students for employment in any occupation.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94312 and 94330, Education Code.

**72220. Description of Educational Service.**

The application shall contain the following for each educational program that the institution offers or proposes to offer:

(a) A description of the educational program.

(b) A description of the equipment to be used during the educational program.

(c) A description of the number and qualifications of the faculty needed to teach the educational program.

(d) A projection, and the bases for the projection, of the number of students that the institution plans to enroll in the educational program during each of the three years following the date the application was submitted.

(e) A description of the learning, skills, and other competencies to be acquired by students who complete the educational program.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310, 94312, 94320 and 94330, Education Code.

#### **72230. Instruction in Languages Other Than English.**

If the institution offers an educational program in a language other than English, the application shall contain a description of all of the following for each educational program.

(a) The number of students grouped by the language in which they are fluent.

(b) The language in which the educational program will be offered to each language group of students.

(c) The number of faculty who will teach each language group of students and the faculty's qualifications to teach in that language.

(d) The language of the textbooks and other written materials to be used by each language group of students.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

#### **72240. Financial Reports.**

(a) If an institution is not operating in California at the time it applies for approval to operate, the institution shall submit a financial report, including reviewed financial statements.

(b) If an institution is operating in California at the time it applies for approval to operate for itself or for a branch campus or for approval to offer additional programs or degree titles, the institution shall submit a copy of the most recent financial report it was required to submit by the Act or this chapter and a detailed description of any material changes in any of the information contained in that financial report or a statement indicating that there are no material changes.

(c) Each financial report shall comply with Section 71905 of this chapter.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94311.4, 94312.2 and 94330, Education Code.

**72250. Faculty.**

(a) The application shall contain the name of each full-time and part-time faculty member.

(b) The application shall include a detailed description of all of the following for each faculty member providing instruction for students in California:

(1) Educational background, including earned degrees, the names of the institutions awarding the degrees, and the dates the degrees were conferred.

(2) Fields of specialization.

(3) Teaching, research and, administrative experience.

(4) Teaching assignments for the current year.

(5) Other duties assigned for the current year.

(c) The institution shall describe the faculty's role in curriculum development.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

**72260. Facilities and Equipment.**

(a) For each program offered, the application shall contain a description of the facilities and the equipment which is available for use by students at the main, branch, and satellite locations of the institution.

(b) For facilities that are leased or rented, the application shall contain the name and address of the lessor or landlord, together with a copy of any use, lease, or rental agreements for the facilities.

(c) The description of the physical facilities shall include building diagrams or campus maps to assist the Council in locating these facilities. The diagrams or maps shall identify the location of classrooms, laboratories, workshops, and libraries.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education

**72270. Libraries and Other Learning Resources.**

The application shall include a description of library holdings, services, and other learning resources, including policies and procedures for supplying them to students who do not receive classroom instruction. The description need not consist of a list of each holding. The description shall include an explanation of how the library and other learning resources are sufficient to support the instructional needs of

students and, if no facilities exist at the institution, how and when students may obtain access to a library and other learning resources.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

**72280. Student Services.**

The application shall include a description of student services, if any, including provisions for academic counseling and textbook purchases.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

**72290. Copy of Catalog.**

The application shall include a copy of the institution's catalog, including addenda reflecting newly approved educational services, in published or proposed-to-be-published form. The catalog shall meet the requirements of the Act and of Section 72810 of this chapter.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94312 and 94330, Education Code.

**72300. Graduation Document.**

Each institution shall submit a copy of the document awarded to graduating students upon their successful completion of the educational program.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

**72310. Recordkeeping; Custodian of Records.**

(a) The application shall contain a description of how records required by the Act or this chapter are or will be organized and maintained, the types of documents contained in student files, how the records are stored, and whether academic and financial records are maintained in separate files. The description shall include a statement of the institution's procedures for security and safekeeping of records.

(b) The description shall include the name, work address and telephone number of the custodian of records, and the address and telephone number of the office where the records will be maintained.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94312 and 94330, Education Code.

**72330. Operational Plan.**

(a) If an institution, or the first branch for which an institution seeks approval, is not operating in California, the institution shall file an operational plan with its application relating to its operations in California.

(b) The operational plan shall include all of the following items:

(1) A description of how the background and experiences of the owners or the board of directors will help the venture to succeed.

(2) A detailed time line for implementation of the plan, the approximate date for the Council's on-site review and the target date for initial enrollment.

(3) An outline of the procedure for monitoring the budget, enrollment projections, outcomes, and adherence to the operational plan during the start-up phase.

(4) A list of operational goals and milestones for the first three years of operation.

(5) A financial analysis for the first three years outlining the sources of revenue, assumptions underlying the revenue, and capital. The financial analysis shall include a projection of expenses including: all personnel costs, instructional costs other than personnel, student services expenses, library/learning center resources, advertising and marketing expenditures, travel, plant operations, debt service, and capital investments.

(6) A projected enrollment for each educational program by year for the first three years of operations.

(7) A detailed outline for the addition of teaching personnel during the first three years.

(8) If the operational plan calls for physical plant expansion during the initial three years of the business, the expansion plan.

(c) The operational plan shall include a financial report as provided in Section 72240 of this chapter.

(d) When an institution opens subsequent branches in California, it may file an operation plan which includes only the information required by Subsections (b)(2), (b)(5), (b)(6) and (b)(8).

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94311.4 and 94330, Education Code.

**72340. Additional Information.**

(a) The institution shall include in the application any material facts which have not otherwise been disclosed in the application that might reasonably affect the Council's decision to grant an approval to operate. In this context, a fact would be "material" if it would change the Council's decision concerning the institution's ability to comply with any applicable provisions of the Postsecondary Act.

(b) The institution may also include in the application any other facts which the institution would like the Council to consider in deciding whether to grant an approval to operate.

(c) For the purposes of this section, a fact is "material" if, without its inclusion into the application, the information contained in the application would be false, misleading, or incomplete.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94311, 94311.4 and 94330, Education Code.

**72360. Approval for A Particular Educational Program or Degree Title.**

If an institution is applying for approval to offer a particular degree or diploma program or a degree title that (1) had not been offered at the time the institution applied for approval to operate or (2) had not been offered at the campus at which the institution proposes to offer it, all of the following shall apply:

(1) The institution shall supply information required by Sections 72200 through 72300, inclusive. Except for the required financial information, the information shall pertain to the proposed degree or non-vocational diploma program or degree title.

(2) The institution shall supply information required by Sections 72110 through 72190, 72310, and 72320 only if the information contained in the institution's most recently filed application for approval is no longer accurate.

(3) The institution shall comply with Sections 72340, 72350, and 72380.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

**72380. Signatures and Certification.**

(a) The application shall be signed, and each fact stated therein shall be declared to be true under penalty of perjury, as follows:

(1) By each owner of the institution, or

(2) If the institution is incorporated, by the chief executive officer of the corporation and each owner of 25 percent or more of the stock, if any, or

(3) By each officer of a nonprofit corporation.

(b) The declaration shall be in the following form: I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature)

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 2015.5, Code of Civil Procedure; Sections 94310 and 94330, Education Code.

**72400. Change in Circumstance Affecting Application Information.**

(a) Action by the Council pursuant to Education Code section 94310 shall not commence until a completed application for approval to operate has been submitted to the Council for its review.

(b) Within 30 days after receipt of an application for approval to operate as required by Article 2 of this chapter, the Council shall notify the institution in writing that the application is complete and has been accepted for filing or that the application is not complete. If the application is not complete, the Council shall specify in the notice what additional information or documents are needed from the institution in order for the application to be deemed complete.

(c) The Council shall consider an application to be complete if it appears that the institution has submitted all of the information, documents, and fees required by the Act and by Article 2 of this chapter. This includes any additional documents the Council may request to determine if the institution's operational plan and its proposed implementation meets the minimum standards of Sections 94310(a) and 94310(b) of the Education Code.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code; Sections 15735 and 15736, Government Code.

**§72405. Change in Circumstance Affecting Application Information.**

(a) If, after the submission of an application but prior to the Council's decision to approve or deny an approval to operate, there is any material change in circumstances affecting any information contained in the application or submitted by the institution in support of the application, the institution shall immediately inform the Council in writing.

(b) For the purposes of this section, a change in circumstance is “material” if, without the inclusion of the new or different information into the application, the information contained in or the supporting documentation to the application would be false, misleading, or incomplete.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

**72410. Right to an Administrative Hearing.**

Any institution who receives a notice from the Council stating that its application is incomplete has a right to appeal this action by requesting a hearing. Hearings are to be conducted pursuant to Education Code Section 94330(l) and Government Code Section 11500 et seq.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94330(l), Education Code.

**72415. Length of Approval to Operate.**

The Council shall set the expiration date of an approval to operate for an institution and its branch locations at 120 days after the close of the institution's fiscal year or other reasonable date, but in no event shall an approval to operate be valid for more than five years after the date of issuance.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code.

**72420. Applications from Institutions Operating on December 31, 1990.**

(a) This article applies to institutions that (1) operated on December 31, 1990 under a license, approval, candidate for approval status, or authorization issued by the Superintendent of Public Instruction pursuant to Sections 94310.1, 94310.2, 94310.3, or 94310.4 of the Code then in effect and (2) continued to operate after December 31, 1990 under an extension of an approval to operate or candidate for approval status provided in Section 94310(g) or Section 94310(h) of the Code.

(b) No later than 120 days before the expiration of an institution's approval to operate, or candidate for approval status, provided under Section 94310(g) or Section 94310(h) of the Code, an institution seeking a new approval to operate shall submit a complete application and fees as required by the Act and this chapter.



NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code.

### **Article 3. Visiting Committees**

#### **72450. Visiting Committees.**

(a) The Director, upon review of the application, shall determine the number of sites to be visited based on the following:

- (1) The type of facility.
- (2) The number of full- and part-time staff employed at each site.
- (3) The number of students enrolled or expected to be enrolled at each site.
- (4) The resources, including equipment, library, and other learning resources, provided to students at each site.

(5) The extent to which the inspection and review of a particular site is necessary or appropriate to evaluate the regionally accredited out-of-state degree-granting institution's operations in California and compliance with the Act and this chapter.

(b) A visiting committee shall make a comprehensive, qualitative onsite review of each institution that applies for an approval to operate within 90 days of the Council's receipt of a complete application unless the Director and the institution's chief executive officer agree to a later date.

(c) The visiting committee shall be appointed by the Director or his/her designee.

(d) The visiting committee shall consist of a minimum of two reviewers who are employed by regionally accredited institutions and have degrees equal to the highest level degree offered by the institution. The Director or his/her designee shall appoint a chair of the visiting committee. In addition, the Director or his/her designee may impanel a special committee consisting of one or more technically qualified people to assist the visiting committee in the evaluation of the application and the institution.

(e) The Director or his/her designee shall appoint a member of the Council's staff to serve as the visiting committee's liaison. The staff member shall prepare, with the cooperation of the visiting committee's members, the visiting committee's evaluation report and recommendations.

(f) To the extent possible, the date of the visit by the Council's committee will be coordinated to coincide with any visits scheduled by the institution's regional accrediting association.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94305 and 94310, Education Code.

**72455. Challenge to the Visiting Committee.**

(a) The institution being evaluated shall be notified of the identity of the members of the visiting committee at least 45 days before the visit. The notice shall also include a description of the institution's right to object to a committee member and the procedure for objection as provided in this section.

(b) If the institution objects to the inclusion of any person in the visiting committee, the institution may file a written objection with the Director at least 10 days before the visiting committee is originally scheduled to conduct its onsite inspection.

(c) An institution has a right to seek the disqualification of a visiting committee member before the occurrence of the onsite inspection on any of the following grounds:

(1) The committee member has inadequate academic or experiential qualification.

(2) The committee member or his or her family has a financial interest in, or is employed by, a competing institution which offers or proposes to offer any of the educational programs offered or proposed to be offered by the applicant institution.

(3) The committee member is biased. In order to establish that a committee member is biased, the institution must document by written evidence that the member is predisposed to give an unfavorable recommendation.

(d) An institution seeking to disqualify a visiting committee member shall submit copies of all evidence and argument on which it relies when the written objection is filed.

(e) All evidence and argument shall be considered by the Director. The Director shall make the final decision on the composition of the visiting committee before the onsite inspection occurs. There shall be no oral hearing or review of this decision. However, if the Director rejects the objection, the institution may raise the grounds for disqualification in any administrative proceeding that may be held after the inspection occurs.

(f) If an institution has grounds under subdivision (c) to object to the impaneling of a committee member before the occurrence on the onsite inspection and fails to timely object, the institution permanently waives the right to challenge the visiting committee's composition or report on those grounds.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94305 and 94310, Education Code.

**72460. Duties of the Visiting Committee.**

(a) The visiting committee shall conduct a comprehensive, qualitative onsite inspection and review of all aspects of the institution's operations to evaluate the institution's efforts to implement its mission, purpose, and objectives and to determine whether the institution complies with the applicable requirements of the Act and this chapter.

(b) The visiting committee's inspection and review may include the examination of documents and records, the inspection of facilities and equipment, the auditing of classes, and the interview of current or former owners, directors, officers, administrators, faculty, and students.

(c) The visiting committee shall cooperate with the Council staff liaison in the preparation of a written evaluation report as described in Section 72465.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94305 and 94310, Education Code.

**72465. Visiting Committee Report.**

(a) The visiting committee report shall contain all of the following:

(1) The committee's findings regarding the institution's compliance with the Act and this chapter and facts supporting those findings.

(2) The committee's assessment of the quality of each educational program offered by the institution and facts supporting the assessment.

(3) The committee's assessment of the quality of the institution as a whole and facts supporting the assessment.

(4) The committee's recommendations for quality improvement based on its findings and assessment in the event the Council determines to grant an approval to operate.

(b) A report shall be prepared and submitted to the institution prior to the Council receiving the report and the recommendations. The institution shall have an opportunity to review the visiting committee report and respond to Council staff within fifteen (15) days of the institution's receipt of such report as to errors of fact or erroneous findings based on errors of fact. The Director or his/her designee will review the report and will submit to the Council the visiting committee's report and Council staff's recommendations along with the institution's comments.

(c) Except as provided in subdivision (d), the Council shall accept the visiting committee's report as its basis for taking appropriate action.

(d) The Council shall not be bound by any of the following:

(1) Any facts adduced by the visiting committee that are based on inaccurate or unreliable evidence or that are inconsistent with other facts found by the Council.

(2) The findings or assessment made by the visiting committee if the findings or assessments are not supported by the facts or the facts support different findings or assessments that may be reasonably made by the Council.

(3) The visiting committee's recommendations. Any actions taken which do not follow these recommendations must have some reasonable basis in fact or law.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94305 and 94310, Education Code.

#### **72470. Institution Cooperation with Visiting Committee.**

(a) The institution shall make available for inspection by the visiting committee all records which the visiting committee reasonably deems necessary or appropriate to inspect to determine whether the institution meets the standards of the Act and this chapter. Only those records necessary to establish compliance with the provisions of this Chapter or the Private Postsecondary and Vocational Education Reform Act of 1989 (Ed. Code 94300 et seq.) are required to be produced under this Section.

(b) The institution shall facilitate the visiting committee's onsite inspection including the inspection of records, inspection of facilities and equipment, observation of class sessions, or interviews with officers, administrators, faculty, or students.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94305 and 94310, Education Code.

### **Article 4. Change and Addition of Location and Change of Name**

#### **72500. Application to Change Location Required.**

(a) Sections 72500(b) - (e), 72505(b) - (c), 72510 and 72515 of this Article apply only to the regionally accredited out-of-state degree-granting institution's operations in California.

(b) An institution shall also apply in writing to the Council for an approval to change its location in California or that of any of its branches. The institution shall

also establish that the regional accrediting association approved the proposed change, if approval is required, before the Council acts under these Articles.

(c) The application fees required under Title 5 of the California Code of Regulations, Section 74008(h) or 74008(i) shall be submitted at least 60 days prior to the proposed date of the change in location unless the change is necessitated by an emergency, as set forth in Section 71520 of Chapter 2.

(d) The Council shall inform an institution in writing within 10 days of receipt of an application for a change in the location of instruction that the application is complete and accepted for filing, or that the application is deficient and what information is required.

(e) An application shall be considered complete if it contains the information required by Section 71505 and is submitted with required fees.

(f) Nothing in this article shall prevent the Council from requesting that the institution provide information, documents, or other evidence in order for the Council to determine whether the new facilities of the institution are sufficient to ensure its capability of fulfilling its program or programs for enrolled students, are appropriate for the defined educational and are sufficient to ensure quality educational programs to the students as provided in Section 94310(a)(1) and 94310(a)(4).

(g) The review of the request and the decision of the Council shall be made within 30 days of receipt of a complete application.

**NOTE:** Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94312, 94320 and 94330(k)(13), Education Code; and Sections 15375 and 15376, Government Code.

**72505. Contents of Application for Change of Location.**

(a) The application for a change in location shall be made in writing and shall contain, at a minimum, the following information:

(1) The name, current and proposed addresses, and telephone number of the institution:

(2) A description of the proposed physical facilities;

(3) A description of any equipment to be used at the proposed facilities which is different from the equipment used at the present facility;

(4) A statement, together with an explanation, if there will be any faculty teaching at the proposed facilities who are not currently teaching at the present facilities;

(5) The date on which the institution intends to offer instruction at the new location:

(6) A statement that the institution has informed students of the change as provided in Section 71510.

(b) The application for a change in location shall be signed under penalty of perjury.

(c) The application shall be made on a completed form entitled "Change of Location of Instruction" (DEGREE-GRANTING INSTITUTIONS, DOCS/REV. LOC 1/92.)

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94312 and 94330, Education Code.

**72515. Council Approval.**

The Council shall grant the approval within 30 days of its receipt of a complete application if the Council determines that the move would not affect the institution's compliance with the Act and this chapter and would not be unfair or unduly burdensome to students. If the Council denies the application, the institution has a right to appeal this decision by requesting a hearing pursuant to Education Code Section 94330(l) and Government Code Section 11500 et seq.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94312, Education Code; and Sections 15375 and 15376, Government Code.

**72520. Emergency Application for Change in Location.**

(a) An institution may submit a written application for a change in location necessitated by an emergency affecting the health or safety of students or personnel using the institution's facilities. The emergency application shall contain the reasons why an immediate change in the location of instruction is necessary. The application shall be made on a completed form entitled "Change of Location of Instruction" (DEGREE-GRANTING INSTITUTIONS, DOCS/REV. LOC 1/92.)

(b) Within three days of receipt of an emergency application for approval to change location, the Council shall inform the institution in writing if the application is complete and accepted for filing, or that the application is deficient and what information is required.

(c) The Council shall approve an application for an emergency change in location within 10 days of receipt of a complete application if the Council determines all of the following:

(1) There exists health or safety perils which necessitate the immediate change in location of the institution's main campus or a branch campus.

(2) The move would not affect the institution's compliance with the Act and this chapter.

(3) The move would not be unfair or unduly burdensome to students.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94312, Education Code; Sections 15375 and 15376, Government Code.

**72550. Application for Addition of Location.**

An institution shall not add a location unless the institution first applies for, and the Council approves, the addition of a location.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

**72555. Contents of the Application.**

(a) The application shall be made in writing on a completed form entitled "Addition of Location, Branch Campus or Satellite" (DEGREE-GRANTING INSTITUTIONS, 12/1992/DOCS/REVB RNCH.DEG.) This form shall be signed by the chief executive officer, and shall include the following:

(1) The name, telephone number, and address of the institution.

(2) The address of the proposed new location.

(3) All of the information contained in subdivision (b) for the addition of a branch location and all of the information in subdivision (c) for a satellite location.

(b) The application shall provide all of the following for a branch location:

(1) A detailed explanation of all of the following:

(A) The reasons for establishing a new branch.

(B) How the proposed branch relates to the institution's mission, purposes, and objectives.

(C) When the institution proposes to open the branch.

(D) The number of students which the proposed branch will serve.

(E) The impact of the branch on the financial resources of the institution, including the institution's ability to comply with Section 94311.4 of the Code.

(2) A description of the proposed facility's planned utilization including the programs and degrees that will be offered and the administrative and student services that will be available.

(3) A description of the facility and equipment as provided in Section 72260.

(4) A description of any differences between any programs previously approved and programs the institution proposes to offer at the branch location, including differences in admissions standards, degree requirements, curricula, and standards for student achievement.

(5) A description of the faculty as provided in Section 71250 at the proposed branch, including whether faculty would teach only at the proposed branch or would be shared among the institution's locations.

(6) A description of library and other learning resources, as provided in Section 71270, that would be available to students attending the proposed branch.

(7) A description of the planned administrative relationship between the main location and the proposed branch, including the nature and extent of the supervision by the chief academic officer, chief operating officer, chief executive officer, and administrators at the main location over the activities of the proposed branch.

(8) Copies of advertising, as provided in Section 71200, related to the proposed branch.

(9) Any additional information as described in Section 71340.

(c) The application shall provide all of the following for a satellite location:

(1) A description of the facility as provided in Section 72260.

(2) The number of students to be served.

(3) A description of the planned administrative relationship between the main or branch location and the proposed satellite, including the nature and extent of the supervision by the chief academic officer, chief executive officer, and administrators at the main location over the activities of the proposed satellite.

(4) A description of the courses offered.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94330, Education Code.

#### **72560. Processing of Application.**

(a) Action by the Council shall not commence until a completed application and required fees have been submitted to the Council for its review.

(b) Within 30 days after receipt of an application for the addition of a satellite location, the Council shall notify the institution in writing that the application is complete and has been accepted for filing or that the application is not complete. If the application is not complete, the Council shall specify in the notice what additional information or documents are needed from the institution in order for the application to be deemed complete.



(c) The Council shall consider an application to be complete if it appears that the institution has submitted all of the information and documents required by Section 71555.

(d) Nothing in this article shall prevent the Council from requesting that the institution provide information, documents, or other evidence which the Council deems necessary for the evaluation of the institution's application or approval to operate.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code; Sections 15735 and 15736, Government Code.

**72565. Decision on the Application.**

(a) The Council shall approve the application if the institution's offer of education at the proposed location satisfies the minimum standards established in Section 94310(j) of the Code and if no ground for denial exists under the Act or this chapter.

(b) The Council shall make a decision on the merits within 90 days of receiving a complete application unless the Council extends the time for a period not to exceed 90 days to examine information received after the filing of the complete application.

(c) The Council shall make a decision on the merits within 15 days of receiving a complete application for a satellite.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code; Sections 15735 and 15736, Government Code.

**72570. Change of Institutional Name.**

An institution shall not change its name or use another name in its operations in California until the institution notifies the Council and receives Council approval of a change of name pursuant to the procedure established in Article 4 (commencing with Section 73550) of Chapter 4 of Division 7.5 of Title 5 of the California Code of Regulations.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94312, Education Code.

## **Article 5. Change of Mission, Purpose and Objectives**

### **72600. Application for Change.**

(a) Institution shall establish that the regional accrediting association approved the change to the institution's mission, purposes, or objectives before the Council acts under this Article.

(b) An institution shall not change its mission, purposes, or objectives or change its primary method of instruction in its operations in California unless the institution applies for and obtains approval from the Council to make the change. This section does not apply to minor or non-fundamental changes in mission, purpose or objective.

**NOTE:** Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code.

### **72605. Contents of Application.**

An application, signed by the institution's chief executive officer, should be submitted to the Council. The application shall contain all of the following:

- (a) The name, address, and telephone number of the institution.
- (b) A description of the proposed mission, purposes, or objectives or of the new method of instruction.
- (c) A detailed explanation of the reasons for the proposed change.
- (d) A description of the process used and the identity of the people involved in the decision to make the change.
- (e) A description of how the change affects students, administration, and the institution's financial resources.
- (f) If the proposed change would result in any change in existing faculty, facilities, library and learning resources, or student services, the institution shall provide the applicable information required by Sections 72250 through 72280, inclusive.
- (g) A description of how the effects of the change will be monitored and evaluated, including the process for determining whether the change achieves the anticipated results.
- (h) A description of how the institution will phase into the new mission, purposes, or objectives or the new method of instruction.
- (i) Any additional information as provided in Section 72340.
- (j) A certification of compliance as provided in Section 72370.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code.

**72610. Processing of Applications.**

(a) Action by the Council shall not commence until a completed application and required fees have been submitted to the Council for its review.

(b) Within 60 days after receipt of an application for a change of mission, purposes, or objectives or a change in the method of instruction, the Council shall notify the institution in writing that the application is complete and has been accepted for filing or that the application is not complete. If the application is not complete, the Council shall specify in the notice what additional information or documents are needed from the institution in order for the application to be deemed complete.

(c) The Council shall consider an application to be complete if it appears that the institution has submitted all of the information, documents, and fees required by Section 71605.

(d) Nothing in this article shall prevent the Council from requesting that the institution provide information, documents, or other evidence which the Council deems necessary for the evaluation of the institution's application or approval to operate.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code; Sections 15735 and 15736, Government Code.

**72615. Decision on the Application.**

(a) The Council shall approve the application if the proposed change would not cause the institution to fail to satisfy the minimum standards established in Section 94310(a) of the Code and if no ground for denial exists under the Act or this chapter.

(b) The Council shall make a decision on the merits within 90 days of receiving a complete application unless the Council extends the time for a period not to exceed 90 days to facilitate the work of a special committee, if any, impaneled to assist the Council's evaluation of the application or to examine information received after the filing of the complete application.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94305 and 94310, Education Code; Sections 15735 and 15736, Government Code.

## **Article 6. Requirements for Branch and Satellite Locations**

### **72650. Branch Locations.**

For the purpose of conducting onsite inspections and evaluations, hotel conference rooms, faculty offices, and homes are not considered branches. A full site review of the branch need not be conducted if the Council determines that the educational services offered there are identical to those already approved.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94302 and 94310, Education Code.

### **72655. Satellite Locations.**

(a) A satellite location shall consist only of an auxiliary classroom which is located within 50 miles of a branch or any main location. A satellite shall be maintained only as a temporary facility.

(b) Only educational services that are approved at the main location may be offered at a satellite.

(c) The institution shall maintain no permanent records of attendance or academic progress at a satellite.

(d) No solicitation or enrollment of students shall occur at a satellite, except for the type of facilities enumerated in subdivision (f).

(e) Advertising indicating the location of a satellite shall indicate the temporary nature of the classroom.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94302 and 94310, Education Code.

## **Article 7. Institutional Operational Standards**

### **72700. Operational Standards.**

Section 72710, 72720, and 72730 through 72740, inclusive, listed below, relate only to the regionally accredited out-of-state degree-granting institution's operations in California

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94305, 94310, 94311.4, 94312 and 94330, Education Code.

**72701. Applicability of Standards.**

In the event the Council receives a complaint about an institution from a student, the Attorney General or any other federal, state or local agency, the Council may request that the institution document compliance with the standards set forth in the Act and this chapter to obtain and maintain an approval to operate.

NOTE: Authority cited: Sections 94305 and 94377, Education Code. Reference: Sections 94301, 94305, 94310, 94311.4, 94312 and 94330, Education Code.

**72705. Mission, Purposes, and Objectives.**

(a) An institution shall have a written statement of its mission, purposes, and objectives. The mission, purposes, and objectives shall indicate the kind of education offered, for whom the instruction is intended and the expected outcomes for graduates.

(b) The institution shall document that its educational programs are based on its stated mission, purposes, and objectives and that its facilities and equipment, financial resources, administrative capabilities, faculty, library and other learning resources, and student services are sufficient to achieve its stated mission, purposes, and objectives.

NOTE: Authority cited: Sections 94305 and 94377, Education Code. Reference: Sections 94301, 94305, 94310, 94311.4, 94312 and 94330, Education Code.

**72710. Curriculum.**

(a) The curriculum shall present those subject areas that are necessary for a student to achieve the educational objectives of the educational program in which the student is enrolled.

(b) The institution shall maintain a course outline for each course offered.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code.

**72715. Instruction.**

(a) Instruction shall be the central focus of the resources and services of the institution.

(b) The institution shall document that the instruction offered leads to the achievement of the learning objectives of each course.

(1) Direct instruction requires the physical presence of one or more students and one or more faculty members at the same location. Direct instruction includes instruction presented in a classroom, seminar, workshop, lecture, colloquium, laboratory, tutorial, or other physical learning settings consistent with the mission, purposes, and objectives of the institution.

(2) Indirect instruction does not require the physical presence of students and faculty at the same location but provides for interaction between students and faculty by such means as telecommunication, correspondence, electronic and computer augmented educational services, postal service, and facsimile transmission. The institution shall notify the Council 30 days before the discontinuation of an educational program and immediately upon the decision to eliminate any instruction or other educational service offered by the institution.

**NOTE:** Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94305 and 94310, Education Code.

**72720. Faculty.**

(a) Each institution shall employ duly qualified faculty sufficient in number to provide the instruction, student advisement, and learning outcomes evaluation necessary for the institution to document its achievement of its stated mission, purposes, and objectives, and for students to achieve the specific learning objectives of each course offered. Faculty employed at an institution on the date of the implementation of the regulations, who do not meet the qualifications, will have three years to earn the degree or experience necessary to qualify them for their position.

(b) Each institution shall develop and implement written policies and procedures providing for the participation by duly qualified faculty in the conducting of research, development of curricula, academic planning, enforcement of standards of academic quality, pursuit of academic matters related to the institution's mission, purposes, and objectives, establishment of criteria for contracting with new faculty, and evaluation of faculty credentials.

(c) In determining the number of faculty sufficient to satisfy subdivision (a) and to implement the policies established pursuant to subdivision (b), the institution shall base its faculty requirements on all of the following factors.

(1) The educational level and number of students.

(2) The number of hours needed for direct interaction between students and faculty per course, quarter, semester, or other term.

(3) The number of hours needed to be spent on evaluating written materials prepared by students, such as correspondence lessons, papers, and examinations, per course, quarter, semester, or other term.

(4) The number of group meetings per course, quarter, semester, or other term.

(5) The faculty duties established by the institution as required under subdivision (b).

(6) The number of hours per week or units per term considered full-time for faculty in the institution.

(d) The faculty shall have sufficient expertise to support the institution's awarding of a degree identifying a specialty or major field of emphasis.

(e) The duly qualified faculty providing and evaluating educational services shall possess degrees from institutions accredited by regional accrediting associations recognized by the United States Department of Education in the degree title and fields of study offered.

(f) When contracting for educational services, the institution shall maintain control of, and responsibility for, all academic matters, and shall assure that the instruction and faculty satisfy the standards established by the Act and this chapter.

(g)(1) In addition to the other requirements of the Act and this chapter, an institution offering instruction by correspondence shall employ a sufficient number of faculty to assure that (A) the institution's response to, or evaluation of, each student lesson is mailed to the student within 10 days after the lesson is received by the institution and (B) the institution's response to, or evaluation of, each student project or dissertation is mailed to the student within the time disclosed in the catalog.

(2) The institution shall maintain a record of the dates on which lessons, projects, and dissertations were received and responses were delivered. There shall be a rebuttal presumption that the institution's response was made on the date of the postmark on the envelope returning the institution's response or evaluation.

(h) The institution shall not employ or continue to employ any faculty who were found in a judicial or administrative proceeding to have violated any provision of the Act or this chapter or to have committed any act that would constitute grounds for the denial of a license under Section 480 of the Business and Professions Code.

(i) Every institution shall have a written Academic Freedom Policy which describes the latitude the institution allows faculty in the classroom so faculty will not violated inadvertently the principles of academic freedom. These policies shall be made available to any person upon request. The institution shall not take adverse action based on a staff member's exercise of academic freedom consistent with the institution's policy.

(j) The institution shall maintain records documenting that each faculty member is duly qualified and was qualified to perform the duties to which the faculty member was assigned, including providing instruction, evaluating learning outcomes, evaluating graduate dissertations, theses, and student projects, and participating on doctoral committees.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code; Section 480, Business and Professions Code.

#### **72725. Ownership and Management.**

This regulation is only applicable to the institution's headquarters located outside the State of California.

Each owner, corporate director, and chief executive officer, of an institution has the duty to act in the utmost good faith to do all of the following:

(a) Inquire into the operation of the institution and its compliance with applicable law, including the Act and this chapter.

(b) Take all reasonable steps within his or her capacity to cause the institution to comply with all applicable law and to correct the effects of noncompliance.

(c) Disclose immediately to the Council evidence that the institution or any person connected with the institution has engaged in fraud, misrepresentation, misappropriation of funds, or any violation of law prosecutable as a felony, except that no disclosure is required of any matter privileged under Section 940 of the Evidence Code.

(d) Expend or authorize the expenditure of the institution's assets and funds, including tuition, fees, and other charges collected from or on behalf of students, in a diligent and prudent manner to assure that students receive the education and student services which were represented to the students and which meet the requirements of the Code and this chapter.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

#### **72730. Administration.**

(a) Each institution shall have a chief executive officer, a chief operating officer and chief academic officer. One person may serve more than one function. While the institution's central administrative offices need not be located within the



State of California, it must maintain a sufficient number of administrative staff and facilities within this State to adequately oversee its California operations.

(b) The duties, responsibilities, and performance evaluation criteria for each administrator shall be set forth in a personnel manual or other writing maintained by the institution.

(c) An institution with one or more branch locations shall establish written institutional policies, consistent with subdivision (d), regarding the division and sharing of administrative responsibilities between the central administration at the main location and the administration at the branch locations.

(d) The administrative staffing at each branch location shall reflect the purposes, size, and educational operations at that location and at any satellite location for which the branch has administrative responsibilities.

(e) The chief academic officer shall possess a degree or equivalent acceptable experience at least equal to the highest qualifications required of the institution's faculty. Chief academic officers employed on the date of implementation of these regulations, who do not meet the qualifications for their positions, shall have three years to earn the necessary degrees or experience to qualify them for their position.

(f) The institution shall employ administrative personnel who have the expertise to ensure the achievement of the institution's mission, purposes, and objectives and the operation of the educational programs.

(g) The institution shall not employ or continue to employ any administrative personnel who were found in a judicial or administrative proceeding to have violated any provision of the Act or this chapter or to have committed any act that would constitute grounds for the denial of a license under Section 480.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code; Section 480, Business and Professions Code.

#### **72735. Facilities.**

(a) The institution shall have sufficient facilities and necessary equipment to support the achievement of the educational objectives of all of the courses and educational programs in which students are enrolled.

(b) The institution's facilities, including heating and cooling, ventilation, lighting, classrooms, laboratories, and campus environs, shall be well-maintained. The institution shall adopt safety and security procedures necessary to protect students and shall comply with Section 94380 of the Code, if applicable.

(c) The institution's physical facilities, and any equipment used on the institution's premises or sold to students, shall comply with applicable health and safety requirements. The institution's facilities and equipment shall be used in accordance with health and safety requirements.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

**72740. Library and Other Learning Resources.**

(a) An institution shall, as part of its curricula, require that students use available library and other learning resources.

(b) Institutions shall provide or make provision for the library and other learning resources needed to support each educational program it offers, including resources such as reference works, periodicals, monographs, and media and equipment specific to the educational programs offered.

(c) The institution shall describe onsite library and other learning resources, if any, that enable students to pursue inquiries, searches for information and documentation, and assignments connected with their study programs.

(d) An institution that depends for library and other learning resources primarily on other institutions' collections and resources not in its possession shall do all of the following:

(1) Describe those library and other learning resources, in the application and catalog.

(2) Provide students and faculty with access to the regular services of a professional librarian or information specialist experienced in the electronic retrieval of information, who shall provide support for faculty in curriculum matters and actively serve as a resource guide for both graduate and undergraduate students.

(3) Assure that students have access to the library collections and resources of another institution, organization, or library.

(4) Document compliance with paragraphs (1) and (2).

(e) Each institution shall assist its students in similar educational programs so that they may convene as a study group if they so choose.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

**72745. Financial Resources.**

This regulation is only applicable to the institution's headquarters located outside the State of California providing the institution accepts full financial responsibility for its California operations.

(a) The institution shall document that it has at all times sufficient assets and financial resources to do all of the following:

(1) Provide all of the educational services that the institution represented it would provide.

(2) Ensure that all students admitted to its educational programs have a reasonable opportunity to complete the programs and obtain their degrees.

(3) Maintain the minimum standards required by the Act and this chapter.

(4) Pay timely refunds as required by Section 94312(d)(3) of the Code.

(b) An institution shall document that none of the circumstances described in Section 94311.4(b) have occurred.

(c) At an institution's request, the Council may consider the financial resources of a parent corporation if all of the provisions of Section 94316.6(c) of the Code have been satisfied.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310, 94311.4 and 94316.6, Education Code.

**Article 8. Admissions and Academic Achievement Standards****72770. Statement of Admissions Policy.**

(a) The institution shall establish specific written standards for student admissions for each educational program. These standards shall be related to the particular educational program. The institution shall not admit any student who is obviously unqualified or who does not appear to have a reasonable prospect of completing the program.

(b) The institution shall specify the maximum credit it will accept from another institution for each educational program and the basis upon which the transfer credit will be awarded. The maximum amount of transfer credit shall not exceed that permitted under Section 71850(b) or 71865(b) of this chapter.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310 and 94312, Education Code.

**72775. Standards for Student Academic Achievement.**

Every institution shall maintain and implement procedures for the measurement of student academic progress including the following:

(a) The use of evaluation and assessment measures consistent with the level and abilities of the student and the mission, purposes, and objectives of the institution.

(b) The maintenance of records of student progress that are readily understandable and usable by other accredited or approved institutions for the evaluation of students for admission.

(c) The requirements that students demonstrate their knowledge, skills, and academic achievement through student work products, including tests, essays, written projects, oral presentations, theses, and dissertations.

(d) The award of grades or credits based on evaluation by duly qualified faculty.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310 and 94312, Education Code.

**Article 9. Contract, Refund, and Catalog Requirements****72800. Enrollment Agreement and Charges.**

(a) No institution shall offer any educational program, or receive any consideration from any person for an educational program, except pursuant to a written enrollment agreement that contains all of the information prescribed by Section 94312(f) of the Code.

(b) No institution shall enter an enrollment agreement with a student unless the student has first received the institution's catalog.

(c) The enrollment agreement shall set forth all tuition and fees that a student is obligated to pay for the time period covered by the agreement.

(d) A student may cancel an enrollment agreement at any time. If the cancellation is in writing, it is effective on the date of personal delivery or, if mailed, on the date postmarked.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94312, Education Code.

**72805. Refunds.**

(a) Every institution shall make refunds that are no less than the refunds required under the Act and this section.

(b) If an institution has collected money from a student for transmittal on the student's behalf to a third party for a bond, library usage, or fees for a license, application, or examination and the institution has not paid the money to the third party at the time of the student's withdrawal or cancellation, the institution shall refund the money to the student within 30 days of the student's withdrawal or cancellation.

(c) An institution shall refund all charges to a student within 30 days of the institution's cancellation or discontinuation of the course or educational program in which the student is enrolled.

(d) An institution shall refund any credit balance on the student's account within 30 days after the date of the student's completion of, or withdrawal from, the educational program in which the student was enrolled.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94312, Education Code.

**72810. Catalog.**

(a) Every institution shall publish a catalog which shall be updated annually. Annual updates may be made by the use of supplements or inserts accompanying the catalog. If changes in educational programs, educational services, procedures, or policies required to be included in the catalog by statute or regulation are implemented before the issuance of the annually updated catalog, those changes shall be reflected at the time they are made in supplements or inserts accompanying the catalog.

(b) The catalog shall contain the information prescribed by Section 94312(h) of the Code and all of the following:

(1) The specific beginning and ending dates defining the time period covered by the catalog.

(2) A statement of the institution's missions and purposes and the objectives underlying each of its educational programs.

(3) The institution's admissions policies.

(4) If the institution admits students from other countries, all of the following disclosures:

(A) Whether English language services, including instruction, are provided and, if so, the nature of the service and its cost.

(B) Whether visa services are provided or whether the institution will vouch for student status, and any associated charges.

(5) The level of English language proficiency required of students and the kind of documentation of proficiency, such as the Test of English as a Foreign Language (TOEFL), that will be accepted.

(6) Whether any instruction will occur in a language other than English and, if so, the level of proficiency required and the kind of documentation of proficiency, such as the United States Foreign Service Language Rating System, that will be accepted.

(7) If the student signs an agreement for the entire program, the tuition and all other fees for the total cost of the program must be detailed. If the student enrolls by the semester or quarter, the catalog shall include: the tuition per unit of credit, the units required per semester or quarter, the number of units required for the degree, a listing of all fees required to be paid and a description of how and when fees are to be paid.

(8) The institution's policies and practices regarding any form of financial aid, including all consumer information which the institution is required to disclose to the student under any state or federal financial aid program.

(9) The institution's policies and procedures for the award of credit for prior experiential learning, including assessment policies and procedures, provisions for appeal, and all charges that a student may be required to pay.

(10) The institution's policies regarding the acceptance of units of credit earned by the student at other institutions or through challenge examinations and standardized tests.

(11) The curriculum appropriate to the educational program offered.

(12) A list of the courses offered in each educational program and a brief description of each course.

(13) The institution's standards for student achievement.

(14) A description of the facilities and of the types of equipment and materials that will be used for instruction.

(15) A description of library and other learning resources and the procedures for student access to those resources.

(16) A description of the institution's practices that are designed to foster student interaction for learning purposes, including practices for convening study groups.

(17) If the institution offers instruction by correspondence, the approximate number of days that will elapse between the institution's receipt of student lessons, projects, or dissertations and the institution's mailing of its response or evaluation.

(18) A description of all student services.

(19) If an institution represents that it provides employment placement services, including contacts with potential employers, a statement detailing the nature and extent of the placement services and indicating when these services would be available to the student.

(20) Housing information including all of the following:

(A) Whether the institution has dormitory facilities under its control.

(B) The availability of housing located reasonably near the institution's facilities and an estimation of the approximate cost or range of cost of the housing.

(C) If the institution has no responsibility to find or assist a student in finding housing, a clear and conspicuous statement so indicating. A statement that the program is "non-residential" does not satisfy this subparagraph.

(21) Policies on student rights, including the procedure for addressing student grievances.

(22) Policies on the retention of student records.

(23) A description of the student's rights under the Student Tuition Recovery Fund established pursuant to Section 94342 of the Code.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310 and 94312, Education Code.

## **Article 10. Special Provisions Regarding Correspondence Instruction**

### **72830. Degree Programs by Correspondence Instruction.**

(a) This section applies only to institutions offering degree programs by correspondence instruction.

(b)(1) Institutions shall mail the first lesson and the initial correspondence material to the student within seven days after the institution accepts the student for admission.

(2) The student shall have the right to cancel the agreement and receive a full refund before the first lesson and initial correspondence material are received. Cancellation is effective on the date written notice of cancellation is mailed. The institution shall make the refund within 30 days of cancellation. If the institution sent the first lesson and materials before an effective cancellation notice was received, the institution shall make a refund within 30 days after the student's return of the correspondence material.

(c)(1) An institution shall mail all of the lessons and other material to the student if the student (A) has fully paid for the program and (B) requests all of the

material in writing after having received the first lesson and initial correspondence material.

(2) If an institution mails the balance of the material as the student requests, the institution shall remain obligated to provide the other educational services it agreed to provide, such as responses to student inquiries, student and faculty interaction, and evaluation and comment on lessons submitted by the student but shall not be obligated to pay any refund after all of the lessons and material are mailed.

(d) The enrollment agreement shall disclose the institution's and student's rights and duties under this section.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310 and 94312, Education Code.

## **Article 11. Undergraduate Degree Programs**

### **72850. General Provisions.**

(a) Every student admitted to an undergraduate degree program shall have a high school diploma or meet the institution's written standards demonstrating the ability to succeed in college.

(b) A maximum of 75 percent of the units or credit that may be applied toward the award of a bachelor's degree may be derived from a combination of any or all of the following:

(1) Units earned at institutions approved by the Council, public or private institutions of higher learning accredited by an accrediting association recognized by the United States Department of Education, or any institution of higher learning, including foreign institutions, if the institution offering the undergraduate program documents that the institution of higher learning at which the units were earned offers degree programs equivalent to degree programs approved by the Council or accredited by an accrediting association recognized by the U.S. Department of Education.

(2) Challenge examinations and standardized tests such as the college Level Placement Tests for specific academic disciplines.

(3) Prior experiential learning to the extent permitted under Section 72890.

(c)(1) Graduation requirements for undergraduate degree programs shall include provisions for general education appropriate to the level and type of degree.



(2) At least 25 percent of the requirements for the associate degree and the bachelor's degree shall be in general education. This requirement does not apply to the Specialized Associate Degree (Occupational) or the Associate of Applied Science Degree referenced in Section 72855(a)(1). General education offered as part of these programs shall be necessary for a student to achieve the educational objectives of the program in which he or she is enrolled. General education shall also be at the same level of quality as that taught in Bachelor's or Associate degree programs which are approved pursuant to Sections 72855 and 72860 of this Article. It shall consist of courses and other organized educational activities designed to introduce students to each of the major divisions of formal learning such as the natural sciences, the social sciences, the humanities, the skills of writing and speaking, and mathematics.

(3) The institution shall specify the distribution of general education requirements by subject area for each undergraduate degree program.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

**72855. Associate Degrees.**

(a)(1) The Specialized Associate Degree (Occupational) or the Associate of Applied Science Degree may be awarded only to students who complete at least the learning outcomes equivalent to a minimum of 60 semester units or its equivalent in other units of credit.

(2) A minimum of seventy-five percent of the curriculum shall be in the occupational area for which training is offered.

(b) The Associate in Arts and Associate in Science degrees may be awarded only to students whom the institution can document have achieved sequential learning equivalent in breadth of knowledge and understanding (i.e., general education) to the acquired in two years of college study beyond high school, as measured by a minimum of 60 semester units or its equivalent in other units of credit.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

**72860. Bachelor's Degree.**

The Bachelor's Degrees may be awarded to students whom the institution can document have achieved sequential learning equivalent in breadth of knowledge and understanding (i.e., general education) and equivalent in depth of achievement in a designated major field to that acquired in four years of study beyond high school, as

measured by a minimum of 120 semester units or its equivalent in other units of credit.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

## **Article 12. Graduate Programs**

### **72865. General Provisions.**

(a) Possession of a bachelor's degree or its equivalent shall be required for admission into post-baccalaureate degree programs. The institution shall document that alternatives to a bachelor's degree accepted by the institution are equivalent to a bachelor's degree. If a graduate program leads to a profession or an occupation requiring state licensure and the licensing agency does not require that the members of the profession or occupation possess a Bachelor's degree or its equivalent, this subsection does not apply.

(b)(1) No more than six graduate semester units or the equivalent in other units awarded by another institution may be credited toward a Master's degree.

(2) An institution may accept transfer credits only from the types of institutions of higher learning described in Section 72850(b)(1).

(c) No more than 30 graduate semester units or the equivalent in other units awarded by another institution may be credited toward a doctoral degree. This subsection does not apply to graduate programs which lead to a profession or an occupation requiring state licensure where the licensing agency has a regulation permitting a different standard.

(d) No more than 25 percent of the units required for graduate degree programs may be awarded for a final product such as a thesis, dissertation, or product.

(e) Dissertations, theses and other products submitted by students as part of a graduate program shall be signed by all faculty members recommending the student for an award of a degree.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

**72870. Master's Degrees.**

(a) The Master's Degree may only be awarded to students who demonstrate at least the achievement of learning in a designated major field that is equivalent in depth to that normally acquired in a minimum of 30 semester units or its equivalent in other units of credit or one year of study beyond the bachelor's degree.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

**72875. Professional Doctoral Degree.**

The professional doctoral degree may be awarded only to students who have completed a prescribed level of study normally requiring a minimum of three academic years of full-time graduate study or the equivalent in part-time study; or, if the program leads to a profession or occupation requiring state licensure, who satisfy the requirements of the state agency. It shall the name of the field in which it is offered (e.g. Juris Doctor or Doctor of Music).

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

**72880. Doctorate Degrees.**

(a)(1) The Doctor of Philosophy degree (Ph.D.) is a research-oriented degree requiring a minimum of three years of full-time graduate education or the equivalent in part-time study.

(2) The Doctor of Philosophy may be awarded only to students who have completed a program of study that includes research methodology and who have demonstrated learning achievement through original research directly attributable to the student.

(b) Programs leading to the Doctor of Philosophy degree shall include substantial instruction in both theory and research at advanced levels in a designated field and specialty. Each educational program leading to a Doctor of Philosophy degree shall involve preparation for scholarship and systematic inquiry.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

**72885. Doctoral Committees.**

(a)(1) Each Doctor of Philosophy program shall include a minimum of two formal evaluations of the student by a doctoral committee.

(2) The first evaluation shall consider the student's qualifications, including the student's knowledge, skills, and conceptual framework, for undertaking rigorous inquiry into the student's designated field.

(3) The second evaluation shall consider the design procedures and products of a formal original inquiry proposed and completed by the student.

(b) The doctoral committee shall be composed of at least three members of the institution's own faculty.

(c) All of the faculty who serve on each student's doctoral examining committee shall have all of the following qualifications:

(1) All of the faculty shall have doctoral degrees.

(2) The chair and the majority of the committee shall have degrees related to the student's field of investigation.

(3) A minimum of 50% of the faculty on the committee shall have degrees conferred by an institution accredited by an accrediting association recognized by the United States Department of Education or the American Bar Association, unless the accreditation does not exist.

(4) All of the faculty shall have three or more years of field or research experience related to their degrees obtained after they obtained their degrees.

(5) All of the faculty shall have been active in their field of scholarship or profession within the five year period preceding their participation on the committee.

(d) The formal evaluation procedures shall provide the committee as a whole with the opportunity to jointly examine the candidate.

(e) If the candidate is not physically present and the evaluation must take place by telephone or other means of electronic communication, one of the following shall apply:

(1) One faculty member on the student's doctoral committee from the main location (i.e., the state in which the program is licensed or otherwise officially approved) must be present at the location where the doctoral student is examined.

(2) A proctor, selected and approved by the doctoral committee, shall sit as an observer with the student at the distant location and verify, under penalty of perjury under the laws of the State of California, the identity of the student and the facts that the student received no prompting by anyone and did not have access to unallowed materials during the evaluation process.

(f) If a project includes more than one student, the individual student's role and contributions shall be clearly identified and documented.

(g) The institution shall maintain a written record of the evaluations. This record shall include the names and signatures of all committee members who participated in the evaluations.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

### **Article 13. Prior Experiential Learning**

#### **72890. Credit for Prior Experiential Learning.**

(a) An institution may grant credit to a student for prior experiential learning only if the institution complies with this section.

(b) Credit for prior experiential learning may be granted only if all of the following apply:

(1) The prior learning is equivalent to a college or university level of learning.

(2) The learning experience demonstrates a balance between theory and practice.

(3) The credit awarded for the prior learning experience directly relates to the student's degree program and is applied in satisfaction of some of the degree requirements.

(c) Each college or university level learning experience for which credit is sought shall be documented by the student in writing.

(d) Each college or university level learning experience shall be evaluated by faculty qualified in that specific subject area who shall ascertain (1) to what college or university level learning the student's prior experience is equivalent and (2) how many credits toward a degree may be granted for that experience.

(e) The faculty evaluating the prior learning shall prepare a written report indicating all of the following:

(1) The documents in the student's record on which the faculty member relied in determining the nature of the student's prior experience.

(2) The bases for determining that the prior experience (A) is equivalent to college or university level learning and (B) demonstrates a balance between theory and practice.

(3) The bases for determining (A) to what college or university level the experience is equivalent and (B) the proper number of credits to be awarded toward the degree for that experience.

(f)(1) The institution shall designate at least one administrator to be responsible for the review of faculty determinations regarding the award of credit for prior experiential learning.

(2) The administrator shall document the institution's periodic review of faculty evaluations to assure that the faculty written evaluations and awards of credit comply with this section and the institution's policies and are consistent.

(g) The amount of credit awarded for prior experiential learning shall not be related to the amount charged the student for the assessment process.

(h)(1) Of the first 60 semester units awarded a student in an undergraduate program, no more than 15 semester units may be awarded for prior experiential learning.

(2) Of the second 60 semester units (i.e., units 61 to 120) awarded a student in an undergraduate program, no more than 15 semester units may be awarded for prior experiential learning.

(3) Of the first 30 semester units awarded a student in a graduate program, no more than 6 semester units may be awarded for prior experiential learning.

(4) Of the second 30 semester units (i.e., units 31 to 60) awarded a student in a graduate program, no more than 3 semester units may be awarded for prior experiential learning.

(5) No credit for experiential learning may be awarded after a student has obtained 60 semester units in a graduate program.

**NOTE:** Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301 and 94310, Education Code.

## **Article 14. Reports**

### **72900. Annual Report.**

(a)(1) The report of information required by Section 94312.2 of the Code shall cover educational programs offered in the prior calendar year.

(2) The financial report shall cover the institution's prior fiscal year.

(b) Financial information may be submitted in the aggregate for all operations of the corporation both inside and outside California.

(c) Each institution approved in California must report its all revenues derived from its operations in this State.

(d) Every institution shall have financial statements prepared and signed by an independent public accountant. The form, content and mode of preparation of financial reports shall comply with Section 71905. Whenever it appears to the

Council that an institution is unable to meet the financial requirements of Section 94312.2(h) or Section 94316.6(c) of the Education Code, the Council may request that the institution immediately make available for inspection to a representative of the Council, these financial statements at the offices of the institution.

(e) An institution shall file its annual report within 30 days after receiving the annual report form from the Council. The Council may extend the period for filing if the institution demonstrates evidence of substantial need but in no case longer than 60 days. The institution shall not change the date of the filing of its annual report because of a change in the fiscal year without the Council's approval.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94311.4, 94312.2 and 94330, Education Code.

#### **72905. Financial Reports.**

(a) This section applies to every audit, review, statements prepared and signed by independent accountants, financial statements required to be prepared or filed by the Act or by this chapter.

(b) Institutional audits and reviews of financial data, including the preparation of financial statements, shall comply with all of the following:

(1) The financial report shall be conducted and prepared in accordance with the generally accepted accounting principles established by the American Institute of Certified Public Accountants by an independent public accountant who is not an employee, officer, or corporate director or member of the governing board of the institution.

(2) Financial statements prepared on an annual basis shall include: a Balance Sheet, Statement of Operations, Statement of Cash Flow, and Statement of Retained Earnings or Capital. Nonprofit institutions shall provide statements as required under generally accepted accounting principles for nonprofit organizations.

(3) The financial report shall establish whether the institution complies with Section 94311.4(a) of the Code and whether any of the circumstances described in Section 94311.4(b) of the Code exist.

(4) If an audit performed to determine compliance with any federal or state student financial aid program reveals any failure to comply with the requirements of the program and the noncompliance creates any liability or potential liability for the institution, the financial report shall reflect the liability or potential liability.

(5) Work papers for the financial report shall be retained for five years from the date of the report and shall be made available to the Council upon request after the completion of the report.

(c) Any audits shall be conducted in accordance with generally accepted auditing standards and shall include the matters described in subdivision (d).

(d) The accountant shall obtain an understanding of the institution's internal financial control structure, assess any risks, and report any material deficiencies in the internal controls.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94311.4, 94312.2 and 94330, Education Code.

## **Article 15. Maintenance and Production of Records**

### **72910. Records.**

(a) Records need not be maintained in California if the institution has no locations there.

(b) If records are so maintained, the Council, in its discretion, may visit the out-of-state site for purposes of conducting a review and inspection of these records.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94312 and 94330, Education Code.

### **72915. Permits.**

The institution shall maintain on file all valid permits required by public agencies relating to the health and safety of the institution's facilities and equipment.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Section 94310, Education Code.

### **72920. Student Records.**

(a) The institution shall maintain a file for each student who enrolls in the institution whether or not the student completes the educational program.

(b) The file shall contain all of the following applicable information:

(1) Written records and transcripts of any formal education or training, testing, or experience that are relevant to the student's qualifications for admission to the institution or the institution's award of credit or acceptance of transfer credits including the following:

(A) Evidence of high school completion or equivalency or other documentation establishing the student's ability to do college level work.



(B) Records documenting units of credit earned at other institutions that have been accepted and applied by the institution as transfer credits toward the student's completion of an educational program.

(C) Grades or findings from any examination of academic ability or educational achievement used for admission or college placement purposes.

(D) All of the documents evidencing a student's prior experiential learning upon which the institution and the faculty base the award of any credit.

(2) Personal information regarding a student's age, gender, and ethnicity if that information has been voluntarily supplied by the student.

(3) Copies of all documents signed by the student, including contracts, instruments of indebtedness, and documents relating to financial aid.

(4) Records of the dates of enrollment and, if applicable, withdrawal from the institution, leaves of absence, and graduation.

(5) A transcript showing all of the following:

(A) The classes and courses or other educational programs that were completed, or were attempted but not completed, and the dates of completion or withdrawal.

(B) The final grades or evaluations given to the student.

(C) Credit awarded for prior experiential learning, including the course title for which credit was awarded and the amount of credit.

(D) Credit for courses earned at other institutions.

(E) Credit based on any examination of academic ability or educational achievement used for admission or college placement purposes.

(F) Degrees and diplomas awarded the student.

(6) For independent study courses, course outlines or learning contracts signed by the faculty and administrators who approved the course.

(7) The dissertations, theses, and other student projects submitted by graduate students.

(8) A copy of documents relating to student financial aid that are required to be maintained by law or by a loan guarantee agency.

(9) A document showing the total amount of money received from or on behalf of the student and the date or dates on which the money was received.

(10) A document specifying the amount of a refund, including the amount refunded for tuition and the amount for other itemized charges, the method of calculating the refund, the date the refund was made, and the name and address of the person or entity to which the refund was sent.

(11) Copies of any official advisory notices or warnings regarding the student's progress.

(12) Complaints received from the student.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94310, 94312 and 94330, Education Code.

**72930. Maintenance of Records.**

(a) Except as provided in subdivision (b), an institution shall maintain all records required by the Act and this chapter and that relate to the institution's compliance with the Act and this chapter for at least five years at the institution's primary administrative location in California. Unless the institution has applied for, and the Council has approved a change of the institution's primary administrative location, the primary administrative location shall be deemed to be the location identified in the institution's most recently filed application for approval to operate.

(b)(1) The institution shall maintain for a period of 50 years a transcript as prescribed by Section 71920(b)(5) of this chapter.

(2) The institution shall maintain records relating to federal financial aid programs as provided by federal law.

(c) A copy of each current record required by the Act or this chapter shall be maintained. Current records include records required by Section 71920 of this chapter for students who are attending the institution, who graduated or withdrew from the institution within the preceding one year, or for whom a refund is owed. Current records may be maintained in either printed form or on computer disk so long as they are available for inspection.

(d) A record that is no longer current may be stored on microfilm, microfiche, computer disk, or any other method of record storage only if all of the following apply:

(1) The record may be stored without loss of information or legibility for the period within which the record is required to be maintained by the Act;

(2) The institution maintains functioning devices that can immediately reproduce exact, legible printed copies of stored records. The devices shall be maintained in reasonably close proximity to the stored records at the institution's primary administrative location in California.

(3) The institution has personnel scheduled to be present at all times during normal business hours who know how to operate the devices and can explain the operation of the devices to any person authorized by the Act to inspect and copy records.

(4) Any person authorized by the Act or this chapter to inspect and copy records shall be given immediate access to the document reproduction devices for the

purpose of inspecting and copying stored records and shall, upon request, reimburse the institution for the reasonable cost of using the institution's equipment and material to make copies at a rate not to exceed ten cents (\$.10) per page.

(e) The institution shall maintain a second set of all academic and financial records required by the Act and this chapter at a different location unless the original records, including records stored pursuant to subdivision (d), are maintained in a manner secure from damage or loss. An acceptable manner of storage under this subsection would include fire resistant cabinets.

(f) All records that the institution is required to maintain by the Act or this chapter shall be made immediately available by the institution for inspection and copying during normal business hours by the Council and any entity authorized to conduct investigations under Section 94339 of the Code.

(g) If an institution closes, the institution and its owners are jointly and severally responsible to arrange at their expense for the storage and safekeeping in California of all records required to be maintained by the Act and this chapter for as long as those records must be maintained. The repository of the records shall make these records immediately available for inspection and copying, without charge except as allowed under subdivision (d), during normal business hours by any entity authorized by law to inspect and copy records.

NOTE: Authority cited: Sections 94305 and 94337, Education Code. Reference: Sections 94301, 94310, 94312 and 94330, Education Code.

## **Chapter 4.**

### **VOCATIONAL AND NON-DEGREE GRANTING SCHOOLS**

#### **Article 1. General Provisions**

##### **73000. Definitions and References.**

(a) The definitions contained in Sections 94711 through 94746 and Section 94852 of the Code apply to this chapter.

(b) "Administrator" means school directors, associate directors, financial aid directors, and financial aid officers.

(c) "Article 7" means the Maxine Waters School Reform and Student Protection Act of 1989, Article 7 (commencing with Section 94850) of Chapter 7 of Part 59 of Division 10 of the Education Code.

(d) "Associate director" means a person who is subordinate to the school director and who has primary responsibility for an institution's financial operations or for the planning and development of course curricula.

(e) "Chapter" means Chapter 4 of Division 7.5 of Title 5 of the California Code of Regulations.

(f) "Financial aid director" means a financial aid officer whom the institution has designated to supervise one or more financial aid officers employed by the institution.

(g) "Financial aid officer" means any person involved in administering the participation of the institution or any of its students in any federal or state student loan or grant program. "Financial aid officer" includes any person who assists students to apply for, disburses the proceeds of, or regularly explains student rights and obligations under, loans or grants subject to any federal or state program.

(h) "School director" means the person who primarily administers the daily operation of the institution and has supervisory authority over other administrators and instructors.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94710, 94711 - 94746, 94774, 94778, 94882 and 94920, Education Code.

#### **73010. Applicability of Chapter.**

Unless otherwise expressly stated, this chapter applies to the following:

(a) Institutions required to obtain the Bureau's approval to operate pursuant to Section 94915 of the Code;

(b) Institutions subject to the provisions of Article 2.7; and

(c) Owners, corporate directors or members of the governing board, officers, and administrators of, and instructors teaching at, institutions subject to the provisions of this chapter.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94774, 94778, 94850, 94882 and 94915, Education Code.

### **Article 2. Application for Approval to Operate**

#### **73100. Application Form.**

(a) Applicants seeking approval to operate pursuant to Section 94915 of the Code shall complete the "Application for Approval to Provide Educational Services

under Education Code Section 94915," Form Application 94915, effective January 1, 1992. Applicants shall submit the form, supporting or additional documentation, and the appropriate application fee, as provided in section 74000 of this chapter, to the Bureau for Private Post-Secondary and Vocational Education.

(b) The Bureau may assess a document fee to cover the costs of each application form. The amount of the document fee shall be twenty-five dollars (\$25.00) per application form.

(c) At the time of submission of a completed application, an institution shall receive an application fee credit in the amount of the document fee. The maximum credit allowed shall be twenty-five dollars (\$25.00) for each complete application submitted.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802, 94915 and 94932, Education Code.

**73110. Institution's Name, Address, Telephone Number of Primary Administrative Office.**

An institution shall provide the following information on the application form:

(a) The name of the institution.

(b) The address of the institution's primary administrative location in California identified by street address. The institution's primary administrative location in California shall be deemed the institution's principal place of business.

(c) The mailing address of the institution, identified either by street address or by post office box number.

(d) The street address of each location at which the educational services or education program will be offered, including the identification of the institution's main campus and branch campuses.

(e) The names, address, and phone number of an individual who will function as the institution's contact person for the purposes of the application.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections, 94802 and 94915, Education Code.

**73120. Form of Business Organization.**

The institution shall specify the form of business organization of the institution (e.g., sole proprietorship, general or limited partnership, for-profit corporation, or nonprofit corporation). If the institution is incorporated, the institution

shall also identify the state within which the institution is incorporated and the date of incorporation.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802 and 94915, Education Code.

**73130. Institution Ownership and Control; Violations of Law.**

(a) The institution shall identify the name, address, telephone number, and driver's license number (if a driver's license has been issued) of each owner of the institution and, to the extent applicable, each general partner, officer, corporate director, corporate member, and person in control of the institution.

(b) The institution shall describe the nature and percentage of the ownership interest and any other financial involvement in the institution of any person identified in subsection (a) of this section.

(c) The institution shall provide a statement identifying any person identified in subsection (a) of this section who:

(1) Was the subject of findings described in subdivisions (b), (c), or (d) of Section 94879 of the Code;

(2) Was found in any judicial or administrative proceeding to have violated the Act or the law of any other state related to untrue or misleading advertising, the solicitation of prospective students for enrollment in an educational service, or the operation of a postsecondary school;

(3) Was the subject of any of the grounds for denial set forth in Section 480 of the Business and Professions Code; or

(4) Has stipulated to a judgment or administrative order or entered a consent decree involving any of the matters described in this section.

(d) The institution shall furnish an explanation of any legal action pending against the institution or ownership or any of the institution's owners, officers, corporate directors, administrators, or instructors by any federal, state, or local law enforcement agency.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94705, 94802, 94850, 94851, 94879, 94881 and 94915, Education Code; Section 480, Business and Professions Code.

**73140. Organization and Management.**

(a) The institution shall include in its application an organization chart that shows the governance and administrative structure of the institution and the relationship between instructors and administrative positions.

(b) The institution shall provide a description of the job duties and responsibilities of each administrative and instructor position.

(c) The institution shall identify the school director and describe the school director's education, experience, and qualifications to administer the institution.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code. Reference: Sections 94705, 94802, 94850, 94851, 94879, 94881 and 94915, Education Code.

**73150. Governing Board.**

If the institution has a governing board, the application shall include the name, address, and telephone number of each member of the governing board

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code. Reference: Sections 94705, 94802, 94850, 94851, 94859 and 94915, Education Code.

**73160. Student Progress, Review, and Notification.**

An institution shall provide in its application information on how it maintains, implements, and discloses to students its policy for monitoring the progress of each student through successive stages of its educational services

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections 94802 and 94915, Education Code.

**73165. Institution Representative.**

The application shall contain the name, address, and telephone number of the person with whom the Bureau will correspond and conduct legal transactions on behalf of the institution.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code. Reference: Sections 94705, 94802, 94850, 94851 and 94915, Education Code.

**73170. Exemplars of Student Agreements; Written Disclosures.**

The institution shall include with its application exemplars of each student enrollment agreement, instrument of indebtedness, and each written disclosure and notice required by Article 7.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802, 94853, 94859, 94866, 94868 and 94871, Education Code.

**73180. Financial Aid Students.**

If an institution receives financial aid pursuant to any state or federal financial aid program, it shall provide a statement indicating for the preceding federal financial aid award year, the number and percentage of students receiving financial aid under all state and federal aid programs, the total amount of aid by source from each aid program, and the federal cohort default rate for the three most recent years as reported by the United States Department of Education.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802, 94808, 94915 and 94947, Education Code.

**73190. Advertising and Other Public Statements.**

(a) The institution shall include in its application copies of advertising and other statements disseminated to the public in any manner by the institution or its representatives that concern, describe, or represent the following:

- (1) The institution;
- (2) The branch campus for which approval is sought, if applicable;
- (3) Each educational service offered by the institution;
- (4) Employment; and
- (5) Potential earnings.

(b) If the application is for approval to offer a particular educational service, course, or program of instruction, training or study, the information required by subparagraphs (3), (4), and (5) of this section shall relate to that particular educational service, course, or program.

(c) If advertising is broadcast by television or radio, the application shall also include a copy of the script.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94705, 94802, 94808, 94832, 94850 and 94851, Education Code.



**73200. Instruction Offered.**

(a) The application shall contain a description of the specific fields of instruction offered, or proposed to be offered, and the purposes and educational objectives of the instruction.

(b) If the instruction is represented to lead to employment in any occupation or described in any job title, the application shall identify each occupation and job title to which each course is represented to lead.

(c) If the instruction is represented to lead to employment that requires licensure, the application shall include a brief description of the educational requirements for licensure and how the instruction prepares students to satisfy those requirements and to prepare for the licensing examination.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802, 94851 and 94915, Education Code.

**73210. Description of Educational Service.**

(a) The application shall contain the following for each educational service that the institution offers or proposes to offer:

(1) A description of the educational service.

(2) A description of the equipment to be used during the educational service.

(3) A description of the number and qualifications of the faculty needed to teach the educational service.

(4) A projection, and the bases for the projection, of the number of students that the institution plans to enroll in the educational service during each of the three years following the date the application was submitted.

(5) A description of the skills and other competencies to be acquired by students who complete the educational service.

(6) A feasibility study for each educational service that has not been offered by the institution within the prior year establishing job market demand in the labor market area for graduates of the educational service, the projected number of graduates from other vocational training programs in the labor market area, and the average starting salary and average salary in the labor market area for the occupations to which the educational service is represented to lead.

The analysis may use current projections and information from the California Employment Development Department, California Occupational Information Coordinating Committee, and the U.S. Department of Labor. The analysis shall be based on the most current, reasonably available data and, in no event, shall be based on data collected more than two years before the application is submitted.

(b) The application shall be accompanied by the following for each educational service:

(1) A syllabus as described in Section 73880 of this chapter.

(2) Statements from three employers indicating that each employer

(A) reviewed the curriculum and the equipment used in the educational service,

(B) finds that the curriculum and equipment satisfy the job training needs of employers in the labor market area, and

(C) would be willing to hire graduates of the educational service based on the training offered if the employer had job vacancies. No employer providing a statement shall have a financial interest in the institution, and no owner of the institution shall have a financial interest in the employer's business.

(c) For purposes of this section, "labor market area" has the meaning set forth in Section 52301.5(d) of the Code.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94705, 94802, 94831, 94832, 94850, 94851, 94854, 94875 and 94915, Education Code.

#### **73220. Minimum Level of Education.**

The application shall include a statement of the minimum levels of education or prior training and preparation required of students for admission

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802 and 94915, Education Code.

#### **73230. Instruction in Languages Other Than English.**

If the institution offers an educational service in a language other than English, the application shall contain a description of all of the following for each education service:

(a) The number of students grouped by the language in which they are fluent.

(b) The language in which the educational service will be offered to each language group of students.

(c) The number of instructors who will teach each language group of students and the instructor's qualifications to teach in that language.

(d) The language of the textbooks and other written materials to be used by each language group of students.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802, 94851 and 94915, Education Code.

**73240. Instruction to Non-English Speaking Students.**

If the institution enrolls students in any educational service who are not fluent both in writing and in speaking the English language, the institution shall provide a description of all of the following for each educational service:

(a) Whether the institution offers instruction in English-as-a-second-language ("ESL").

(b) Whether the instruction is tied to the student's enrollment to receive another educational service.

(c) If the institution offers ESL instruction before or at the same time as offering an educational service in the English language, the application shall state whether the institution tests each student to determine whether the student has attained adequate proficiency in written and spoken English to comprehend instruction in English. If so, the institution shall identify in the application the test(s) given to the students.

(d) If an institution that is subject to Article 7 offers ESL instruction before or at the same time as offering an educational service in the English language, the application shall state whether the institution tests each student to determine whether the student has attained adequate proficiency in written and spoken English to be successfully trained by English language instruction to perform the tasks associated with the occupations or job titles to which the educational service is represented to lead. If so, the institution shall identify the test(s) given to the students.

(e) If the institution offers ESL instruction to students who need ESL instruction to use already existing knowledge, training, or skills, the applicant shall state whether the institution tests each student to determine whether the student has attained adequate proficiency in written and spoken English to use already existing, knowledge, training, or skills. If so, the institution shall identify the test(s) given to the students. The institution shall also identify in the application how it documents that ESL instruction is necessary to enable each student enrolled in ESL instruction to use already existing, knowledge, training, or skills.

NOTE: Authority cited: 94774, 94778 and 94882, Education Code. Reference: Sections 94802, 94832, 94851, 94875 and 94915, Education Code.

**73260. Financial Reports.**

(a) If an institution is not operating in California at the time it applies for approval, the institution shall submit reviewed financial statements with its application.

(b) If an institution that is operating in California applies for approval to operate a branch campus that has not operated, the institution shall submit all of the following:

(1) Reviewed financial statements for the branch.

(2) A copy of the most recent audit report for the institution as required under Section 94862 of the Code, and

(3) A detailed description of any material changes in any of the information contained in that audit report or a statement indicating that there are no material changes.

(c) If an institution that is operating in California applies for approval to operate for itself or a branch campus that is operating, the institution shall submit a copy of its most recent audit report of financial statements required by Section 94862 of the Code, and a detailed description of any material changes in any of the information contained in that audit report or a statement indicating that there are no material changes.

(d) Each report of financial statements shall comply with Section 73860 of this chapter.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802, 94804, 94808, 94855 and 94915, Education Code.

**73270. Instructors.**

(a) The application shall contain the name of each instructor and a statement of the number of hours per week the instructor is scheduled to be present at the location where the instructor teaches.

(b) The application shall include a detailed description of each instructor's education and employment that establishes that the instructor possesses adequate academic, experiential, and professional qualifications to teach the educational service or to perform the duties to which the instructor is assigned. If the description required herein is set forth in an instructor's application for a new or current certificate of authorization, the institution may refer to that application.

(c) If an instructor holds a current certificate of authorization, that fact shall be stated. If the instructor does not hold a current certificate of authorization, an

application for certificate of authorization for that instructor shall accompany the institution's application for approval to operate.

NOTE: Authority cited: 94774, 94778 and 94882, Education Code. Reference: Sections 94802, 94850, 94851 and 94915, Education Code.

### **73280. Facilities and Equipment.**

(a) The application shall contain a description of the institution's physical facilities and the equipment which is available for use by students at the location where the students are to receive instruction.

(b) The description shall include specifications of significant equipment that demonstrate that the equipment meets the standards prescribed by the Code and this chapter and is sufficient to enable students to achieve the educational objectives of each education service.

(c) For each item of equipment, the description should indicate whether the equipment is owned, leased, rented, or licensed for short- or long-term, or owned by another and used without charge.

(d) For facilities that are leased or rented, the application shall contain the name and address of the lessor or landlord, together with a copy of any use, lease, or rental agreements for the facilities.

(e) The description of the physical facilities shall include building diagrams or campus maps to assist the Bureau in locating these facilities. The diagrams or maps shall identify the location of classrooms, laboratories, workshops, and libraries.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code. Reference: Sections 94802, 94850, 94851 and 94915, Education Code.

### **73290. Libraries.**

The application shall include a description of library holdings, services, and other learning resources, including policies and procedures for supplying them to distance instruction students. The description need not consist of a list of each holding. The description shall include an explanation of how the library is sufficient to support the instructional needs of students and to prepare students for the occupations or job titles to which the educational services are represented to lead.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code. Reference: Sections 94802, 94850, 94851 and 94915, Education Code.

**73300. Student Services.**

The application shall include a description of student services, if any, including provisions for academic counseling, tutoring, and textbook purchases.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: 94802, 94850, 94851 and 94915, Education Code.

**73310. Recordkeeping; Custodian of Records.**

(a) The application shall contain a description of how records required by the Act or this chapter are or will be organized and maintained, the types of documents contained in student files, how the records are stored, and whether academic and financial records are maintained in separate files. The description shall include a statement of the institution's procedures for security and safekeeping of records.

(b) The description shall include the name, home address and telephone number of the custodian of records, and the address and telephone number of the office where the records will be maintained.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802, 94850, 94851, 94854, 94874 and 94915, Education Code.

**73320. Copy of Catalog.**

The application shall include a copy of the institution's catalog, including addenda reflecting newly approved educational services, in published or proposed-to-be-published form, and which meets the requirements of the Act and of Section 73750 and, if applicable, Section 73760, of this chapter.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802, 94814, 94850, 94851, 94859 and 94915, Education Code.

**73330. Job Placement Assistance.**

If an institution represents to the public, in any manner, that it offers job placement assistance, the application shall include a description of the job placement assistance that it provides.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802, 94850, 94851 and 94915, Education Code.

**73340. Self-Monitoring Procedures.**

The application shall contain a description of the procedures used by the institution to monitor and assure compliance with the Act. The description shall specify, at a minimum, all of the following:

- (a) The nature and frequency of training sessions or staff meetings involving compliance;
- (b) The distribution of policies and procedures manuals or memoranda concerning the law and compliance issues;
- (c) The designation of personnel with compliance responsibilities;
- (d) The nature and extent of supervision of employees, agents, representatives, instructors, and administrators by owners, officers, corporate directors or members of the governing body, and administrators.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802, 94850, 94851 and 94915, Education Code.

**73350. Claim of Exemption.**

If an institution claims that the institution or a course or other educational service it offers is exempt from Article 7, the institution shall state in the application the specific exemption or exemptions that it claims.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94790, 94802 and 94915, Education Code.

**73360. Entrance Tests.**

If applicable, the application shall contain the information required by subdivision (e) of Section 94872 of the Code regarding entrance tests and procedures.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802, 94872 and 94915, Education Code.

**73380. Operational Plan.**

(a) If an operational plan is required under Section 94915, the institution shall file with the application an operational plan which shall include the following items:

- (1) An analysis of the need for the proposed educational services in the locale in which the institution proposes to offer the educational service and of the population to be served.

(2) A description of how the background and experiences of the owner(s) and the board will help the venture to succeed.

(3) A detailed timeline for implementation of the plan, the approximate date for the state's on-site review and the target date for initial enrollment.

(4) An outline of the plan for monitoring the budget, enrollment projections, outcomes and adherence to the plan during the start-up phase; and a list of goals and milestones for the first three years of operation.

(5) A financial plan for the first three years outlining the sources of revenue, assumptions underlying the revenue and capital. The financial plan shall include a projection of expenses including: all personnel costs, instructional costs other than personnel, student services expenses, library/learning center resources, advertising and marketing expenditures, travel, plant operations, debt service, capital investments.

(6) A projected enrollment by course or other educational service by year for the first three years of operations.

(7) A detailed plan for the addition of teaching personnel during the first three years.

(8) If the operational plan calls for physical plant expansion during the initial three years of the business, the expansion plan.

(b) The operational plan shall include a reviewed financial statement which shall comply with Section 73860 of this chapter.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802, 94804, 94855 and 94915(f), and (g), Education Code.

**73390. Additional Information.**

(a) The institution shall include in the application any material facts which have not otherwise been disclosed in the application that might reasonably affect the Bureau's decision to grant an approval to operate.

(b) The institution shall also include in the application any other facts which the institution would like the Bureau to consider in deciding whether to grant an approval to operate.

(c) For the purposes of this section, a fact is "material" if, without its inclusion into the application, the information contained in the application would be false, misleading, or incomplete.

NOTE: Authority cited: 94774, 94778 and 94882, Education Code. Reference: Sections 94802, 94804, 94850, 94851 and 94915, Education Code.



**73400. Unavailable Information.**

If an institution is unable to provide the information required by this article solely because it, or the branch campus for which the application is filed, has not yet operated in California, the institution shall so indicate on the application form.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections: 94802 and 94915, Education Code.

**73410. Approval for A Particular Educational Service, Course, or Program.**

If the institution is applying for approval to offer a particular educational service, course, or program of instruction, training, or study at a campus that had not offered the educational service, course, or program at the time the institution applied for approval to operate that campus, the application shall contain the information required by Section 73110 and the information pertaining to that particular educational service, course, or program that is required by Sections 73190, 73200, 73210, 73220, 73230, 73240, 73270, 73280, 73320 (a copy of the catalog or supplement pages referring to the educational service), 73330, 73350, 73360, 73390, and 73400. The application shall contain the signatures and certification required by Sections 73430 and 73440.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802 and 94915, Education Code.

**73420. Student Records.**

An institution shall submit a copy of each of the following with the application:

- (a) An attendance form;
- (b) A student progress or grade data form;
- (c) A form that records the student's previous education and training;
- (d) A copy of the document awarded upon successful completion of the educational service which shall comply with the requirements of section 73780 of this chapter.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802 and 94915, Education code.

**73430. Certification of Compliance.**

The application shall contain a statement that the person or persons who sign the application certify to the best of their knowledge that the institution and each signatory comply with all applicable laws regarding the operation of the institution.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code. Reference: Sections 94800, 94802, 94831, 94850, 94851, 94985 and 94915, Education Code.

**73440. Signatures and Certification.**

(a) The application shall be signed, and each fact stated therein shall be declared to be true under penalty of perjury, as follows:

- (1) By each owner of the institution,
  - (2) If the institution is incorporated, by each owner of ten percent (10%) or more of the stock,
  - (3) If the institution is incorporated and the stock is publicly traded through a stock exchange, by the president or chief executive officer of the corporation, or
  - (4) By each member of the governing body of a nonprofit corporation.
- (b) The declaration shall be in the following form:

"I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

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(Date)

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(Signature)"

NOTE: Authority cited: 94774, 94778 and 94882, Education Code. Reference: Sections: 94802 and 94915, Education Code.

**73470. FAA Certified Flight Schools.**

Federal Aviation Administration (FAA) certified flight schools shall submit with their applications all of the material required by the certifying federal agency including the institution's catalog or course syllabus. If this chapter requires submission of materials not required by the FAA, the institution shall include a summary of the information contained in the materials in the application form.

NOTE: Authority cited: 94774, 94778 and 94882, Education Code. Reference: Sections: 94930 and 94915, Education Code.

**73480. Truck Driving Schools.**

(a) In addition to the other requirements of this article, a truck driving school shall include in its application all of the following information:

(1) A certificate of insurance from the school's insurance company verifying that the school is in compliance with liability insurance requirements specified in Section 11103 of the Vehicle Code;

(2) A list of the vehicles used in training which shows each vehicle's license number and vehicle identification number;

(3) For each vehicle identified in paragraph (2), a copy of the records of the most recent vehicle inspection performed pursuant to Section 34505.5 of the Vehicle Code showing that the vehicle is in safe operating condition.

(b) Additionally, the application shall contain all of the following information regarding each truck driving instructor:

(1) A copy of a certificate or letter verifying satisfactory completion of instruction in the teaching of driver education and driver training acceptable to the Department of Motor Vehicles;

(2) Verification from the Department of Motor Vehicles that the instructor has passed an examination required by the Department of Motor Vehicles on traffic laws, safe driving practices, operation of motor vehicles, and teaching methods and techniques;

(3) A copy of a valid California Class A driver's license for each instructor;

(4) A copy of a printout of each instructor's driving record issued by the Department of Motor Vehicles within the 30-day period immediately preceding the filing of the application;

(5) A copy of a high school diploma or other document evidencing passage of the General Education Development test for each driving instructor.

(c) Each vehicle used in training shall be maintained at all times in safe operating condition and shall comply with all applicable federal and state vehicle safety requirements, including the safety requirements promulgated by the California Highway Patrol in Chapter 6.5 (commencing with Section 1200) of Division 2 of Title 13 of the California Code of Regulations.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections: 94802, 94915 and 94925, Education Code; and Division 14.8 (commencing with Section 34500) of the Vehicle Code.

### **Article 3. Processing of Applications for Approval**

#### **73500. Processing Time for Completed Applications.**

Action by the Bureau pursuant to Education Code Section 94915 (c), (e), (f), (g) and (h) shall not commence until a completed application for approval to operate has been submitted to the Bureau for its review.

(a) Within 30 days after receipt of an application for approval to operate as required by Article 2 of this chapter, the Bureau shall notify the institution in writing that the application is complete and has been accepted for filing or that the application is not complete. If the application is not complete, the Bureau shall specify in the notice what additional information or documents are needed from the institution in order for the application to be deemed complete.

(b) The Bureau shall consider an application to be complete if it appears that the institution has submitted all of the information, documents, and fees required by the Act and by Article 2 of this chapter.

(c) Nothing in this article shall prevent the Bureau from requesting that the institution provide information, documents, or other evidence which the Bureau deems necessary for the evaluation of the institution's application or approval to operate.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Section 94915, Education Code; Sections 15375 and 15376, Government Code.

#### **73520. Change in Circumstance Affecting Application Information.**

(a) If, after the submission of an application but prior to the Bureau's decision to approve or deny an approval to operate, there is any material change in circumstances affecting any information contained in the application or submitted by the institution in support of the application, the institution shall immediately inform the Bureau in writing.

(b) For the purposes of this section, a change in circumstance is "material" if, without the inclusion of the new or different information into the application, the information contained in or the supporting documentation to the application would be false, misleading, or incomplete.

NOTE: Authority cited: 94774, 94778 and 94882, Education Code. Reference: Sections 94802, 94850, 94851 and 94915, Education Code.

**73530. Priority of Review.**

The Bureau may, in its discretion, give priority to the review of complete applications for approval to operate in the following order:

- (a) Applications filed in connection with a change of ownership as provided in Section 74030 of this chapter;
- (b) Applications filed by institutions at least 180 days before the expiration of their existing approval to operate;
- (c) All other applications.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Section 94915, Education Code.

**73540. Length of Approval to Operate.**

The Bureau shall set the expiration date of an approval to operate for an institution and its branch campuses at 120 days after the close of the institution's fiscal year or other reasonable date, but in no event shall an approval to operate be valid for more than three years after the date of issuance.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Section 94915, Education Code.

**Article 4. Change of Institutional Name****73550. Application for Approval to Change Name.**

An institution shall notify the Bureau 30 days in advance of any change in its name.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections: 94832 and 94915, Education Code.

**Article 5. Change in the Location of Instruction****73600. Application to Change Location Required.**

(a) An institution shall apply in writing to the Bureau for an approval to change the location of its main campus or the location of a branch campus. The application shall be submitted at least 60 days prior to the proposed date of the change in location unless the change is necessitated by an emergency, as set forth in Section 73650 of this chapter.

(b) The Bureau shall inform an institution in writing within 10 days of receipt of an application for a change in the location of instruction that the application is complete and accepted for filing, or that the application is deficient and what information is required.

(c) The review of the request and the decision of the Bureau shall be made within 30 days of receipt of the application, in accordance with Education Code section 94873(h)(2) and section 73640 of this chapter.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code. Reference: Sections: 94830(o), 94873(h)(2) and 94915, Education Code; Sections 15375 and 15376, Government Code.

**73610. Contents of Application for Change in Location.**

(a) The application for a change in location shall be made in writing and shall contain, at a minimum, the following information:

(1) The name, current and proposed addresses, and telephone number of the institution;

(2) A description of the proposed physical facilities;

(3) A description of any equipment to be used at the proposed facilities that is different from the equipment used at the present facility;

(4) A statement, together with an explanation, if there will be any instructors teaching at the proposed facilities who are not currently teaching at the present facilities;

(5) The date on which the institution intends to offer instruction at the new location;

(6) The distance between the approved location and the proposed new location;

(7) An identification of the public transportation that is available between the two locations;

(8) The estimated travel time between the two locations by car and by public transportation at the time of day students would need to travel to reach class on time;

(9) The reason for the move;

(10) A description of the actions taken to notify students, the dates on which notice was provided, and the name of the person who provided notice;

(11) A statement that the person (or persons) whose signature(s) appear(s) upon the application certify(ies) to the best of his/her knowledge that the institution and each signatory comply with all applicable law regarding the operation of an institution;

(12) A statement that the institution has informed students of the change as provided in Section 73620 and, if applicable, Section 73630(a) of this chapter.

(b) The application for a change in location shall be signed under penalty of perjury.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94873 and 94915, Education Code.

**73620. Notice to Students of Change in Location.**

(a) An institution shall notify students that it intends to move the location of class instruction. The notice shall be given both orally and in writing. The written notice shall be either mailed or delivered to each student.

(b) If the institution proposes to move before it enrolls a student, it shall notify the student of the proposed move before the student enrolls. In all other circumstances, the institution shall notify students no later than the time the institution applies for approval to change location

(c) If the location of an institution subject to Article 7 will be moved more than five miles, the institution shall notify the students of which option under subdivision (h) of Section 94873 of the Code that the institution has selected. The institution shall comply with the provisions of the option selected by the institution.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94873 and 94915, Education Code.

**73630. Approval to Change Location Pursuant to Section 94873(h)(2) of the Code.**

If an institution wishes to obtain Bureau approval to move the location of class instruction pursuant to paragraph (2) of subdivision (h) of Section 94873, all of the following apply:

(a) In addition to the information prescribed by Section 73620(c) of this chapter, the institution shall notify students on or before the date the institution submits its application of what, if any, services the institution intends to provide the students to assist them in attending the new location and that students have the right to express their opinions in writing or by telephone to the Bureau and have those opinions considered by the Bureau before it decides whether to approve the move. The notice shall also state that the Bureau may, but is not required to, send a member of the Bureau's staff to the students' class to hear the students' opinions concerning the proposed move. The notice shall contain the address and telephone number of the

Bureau. The notice to the students shall be given orally to each class and shall be mailed or delivered to each student. A copy of the notice shall be posted in each classroom.

(b) The application shall include all of the following:

(1) The information required by the provisions of Section 73610 of this Chapter;

(2) What, if any, provisions will be made to provide students with transportation, child care, or other services to mitigate the effects of the move;

(c) A student may submit comments to the Bureau by any of the following methods:

(1) By a telephone conversation with a staff member of the Bureau;

(2) By a letter mailed to the Bureau's office in Sacramento, California;

(3) At the Bureau's discretion, at a meeting between Bureau staff and the student.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94873 and 94915, Education Code.

#### **73640. Bureau Approval.**

(a) The Bureau shall grant the approval within 30 days of its receipt of a complete application if the Bureau determines the following:

(1) The move would not affect the institution's compliance with the Act and this chapter, and

(2) The move would not be unfair or unduly burdensome to students after considering such factors as the distance and travel time between the two locations, the availability of public transportation between the two locations, comments received from students, expense incurred by students, the reasons for the move, and any other relevant matter.

(b) The Bureau may approve the application subject to reasonable conditions such as ordering the institution to provide transportation, reimburse costs, or pay refunds to certain adversely affected students.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94873 and 94915, Education Code; Sections 15375 and 15376, Government Code.



**73650. Emergency Application for Change in Location.**

(a) An institution may submit a written application for a change in location necessitated by an emergency affecting the health or safety of students or personnel using the institution's facilities. The emergency application shall contain the reasons why an immediate change in the location of instruction is necessary. The application shall be signed under penalty of perjury.

(b) Within three days of receipt of an emergency application for approval to change location, the Bureau shall inform the institution in writing if the application is complete and accepted for filing, or that the application is deficient and what information is required.

(c) The Bureau shall approve an application for an emergency change in location within 10 days of receipt of a complete application if the Bureau determines all of the following:

(1) There exists health or safety perils which necessitate the immediate change in location of the institution's main campus or a branch campus,

(2) The move would not affect the institution's compliance with the Act and this chapter, and

(3) The move would not be unfair or unduly burdensome to students after considering such factors as the distance and travel time between the two locations, the availability of public transportation between the two locations, comments received from students, expense incurred by students, the reasons for the move, and any other relevant matter.

(d) The Bureau may approve the application subject to reasonable conditions as prescribed by Section 73640(b) of this chapter.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code. Reference: Sections 94873 and 94915, Education Code; Sections 15375 and 15376, Government Code.

**Article 6. Certificate of Authorization for Service****73660. Application for Certificate of Authorization; Applicability.**

Except as provided in Section 73690 of this chapter, no person shall act as an instructor or administrator at an institution subject to the requirements of section 94915 of the Code unless that person first applies for, and the Bureau issues, a certificate of authorization for service.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94831, 94877, 94915 and 94985, Education Code.

**73670. Contents of Application.**

(a) An application for a certificate of authorization for service shall be made in writing and shall be signed by the applicant under penalty of perjury.

(b) An application for a certificate of authorization for service shall contain the following information:

(1) The applicant's name, address, telephone number, social security number, and driver's license number (if a license has been issued);

(2) Evidence establishing that the applicant satisfies the standards established by the Act and this chapter;

(3) A statement of the area of competence in which the individual will serve and a detailed description of the applicant's education and employment background that establishes that the applicant possesses adequate academic, experiential, and professional qualifications to perform in that area of competence;

(4) A statement that the applicant has not:

(A) been convicted of, or pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of federal or state funds, or,

(B) been judicially or administratively determined to have committed any violation of the Act or of any law involving state or federal funds.

(c) The application for a certificate of authorization for service shall be accompanied by the fee prescribed by the Act or by this chapter.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94915, 94920 and 94932, Education Code.

**73680. Bureau Review and Decision.**

(a) Within ten days of receipt of the application, the Bureau shall inform an applicant for a certificate of authorization for service in writing that the application is complete and accepted for filing, or that the application is deficient and what information is required.

(b) Within 30 days following the receipt of a complete application, the Bureau shall issue a certificate of authorization for service if the Bureau determines that all of the following criteria have been satisfied:

(1) The applicant for a certificate of authorization for service has met the standards established in the Act and this chapter;

(2) There are no grounds for denial as prescribed in paragraph (3) of subdivision (b) of Section 94915 of the Code;

(3) There are no grounds for denial as prescribed in Section 480 of the Business and Professions Code.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code. Reference: Sections 94915 and 94920, Education Code; Sections 15375 and 15376, Government Code.

#### **73690. Instructional Staff Vacancies.**

When an unanticipated vacancy in the instructional staff exists, an institution may employ an instructor who satisfies the standards of the Code and this chapter but who does not hold a valid certificate of authorization if the instructor files an application with the Bureau for a certificate of authorization within one week after the instructor is hired.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code. Reference: Section 94915, Education Code.

### **Article 7. Institutional Operating Standards**

#### **73700. Quality of Instruction; Educational Objectives.**

(a) The institution shall have a curriculum that is designed to achieve the educational objectives of each educational service. The curriculum shall satisfy all of the following:

(1) The curriculum shall present those subject areas that are necessary for students to achieve the educational objectives of the educational service in which they are enrolled.

(2) The curriculum shall be designed for students with the type of educational background, skills, language abilities, and physical and mental capabilities who are enrolled in the educational service;

(3) The curriculum shall contain specific learning activities, including laboratory workshop, externship, or other “hands on “ activities, necessary for students to achieve the specific educational objectives;

(4) If the institution represents that the educational service leads to employment in particular occupations or job titles, the curriculum shall include sufficient education and training in the use for equipment, techniques, industrial

processes, computer software, and other devices or procedures generally used in such employment to qualify the student for that employment;

(5) The curriculum shall have learning objectives leading to measurable outcomes which demonstrate that the students has obtained the types and levels of education, training, skill, and experience needed to achieve the educational objectives.

(b) If an institution represents that an educational service leads to employment, the analysis provided under Section 73210(a)(6) of this chapter shall demonstrate employer demand for the institution's graduates and the institution's probable satisfaction of Section 94854(a)(2) of the Code.

(c) The institution shall develop and implement a program to gather data, at least annually, from employers to determine whether the institution's curriculum, instruction, equipment, or other materials meet changes in the contemporary job market. The data shall be maintained by the institution as provided in Section 94874 of the Code.

(d) An institution's educational objectives for each educational service shall be deemed to include the following:

(1) The educational objectives identified in the institution's most recently filed application for approval to operate;

(2) The institution's representations in its catalog or any form of advertising indicating:

(A) The education, training, skills, or experience which students will be able to acquire, and

(B) The employment to which the educational service is represented to lead.

(3) If the institution represents that the educational service may lead to employment, the educational service shall be deemed to have the educational objectives of providing students with sufficient education, training, skill and experience to obtain employment in the occupation or job title to which the educational service is represented to lead.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802, 94831, 94832, 94850, 94854, 94875 and 94915, Education Code.

#### **73710. Physical Facilities, Equipment, and Materials.**

(a) The institution's physical facilities and the equipment used on the institution's premises or sold or provided for use to students shall comply with all health and safety requirements imposed by law. All instruction shall be performed

and all equipment shall be used at the institution's physical facilities in a manner that complies with all health and safety requirements.

(b) All equipment of the type that is generally submitted to Underwriters' Laboratory or other similar testing facility for the determination of safety, such as electrical equipment, shall be approved by Underwriters' Laboratory or another similar testing facility before the equipment is used or sold or provided for use to students.

(c) The institution shall require students to use adequate protective gear for use with equipment as required by law, recommended by the manufacturer of the equipment, or commonly used in the industry in which the equipment is utilized.

(d) The institution shall maintain adequate safety apparatus or supplies, such as first-aid kits and fire extinguishers, to respond to reasonably foreseeable health and safety problems.

(e) If the institution represents that the educational service will fit or prepare a student for employment in particular occupations or as described in particular job titles, either of the following conditions shall be satisfied:

(1) The equipment used for instruction or provided to the student shall be comparable in model type or features to equipment generally used in those occupations or job titles at the time the instruction is offered (e.g., the same type of wordprocessing software or industrial machinery with similar features as generally used in the field of occupation).

(2) The institution shall establish that the equipment used for instruction or provided to the student is not obsolete and is sufficient for instructional purposes to reasonably assure that students acquire the necessary level of education, training, skill, and experience to obtain employment in the field of training and to perform the tasks associated with the occupations and job titles to which the educational service was represented to lead.

(f) Textbooks and other written materials used by the institution or provided to students, and library holdings to the extent related to the educational service, shall contain current and accurate information relating to the field of instruction. Textbooks and other written material shall be at a reading level, measured by a standard measure of readability, that students who are enrolled can read and comprehend.

NOTE: Authority cited: Sections: 94774, 94778 and 94882, Education Code.  
Reference: Sections 94850, 94875 and 94915, Education Code.

**73720. Instructors.**

(a) Each institution shall employ instructors that are qualified and are sufficient in number to meet the requirements of the Act and achieve the educational objectives of each educational service offered by the institution.

(b) Each instructor shall possess the academic, experiential, and professional qualifications to teach the particular educational service and to perform the particular duties that the instructor is assigned. An instructor's possession of a certificate of authorization does not in itself demonstrate compliance with this subdivision.

(c) No instructor shall have engaged in any conduct constituting any ground for denial set forth in Section 480 of the Business and Professions Code.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code. Reference: Sections 94850, 94875, 94915 and 94920, Education Code; Section 480, Business and Professions Code.

**73730. Financial Aid Director and Officers.**

(a) The financial aid director and financial aid officers shall have knowledge of applicable current law sufficient to properly administer the participation of the institution and its students in the financial aid programs and conform the institution's policies and practices regarding financial aid to the requirements of state and federal law.

(b) No financial administrator shall have engaged in any conduct constituting any ground for denial set forth in Section 480 of the Business and Professions Code.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code. Reference: Sections 94850, 94875, 94915 and 94920, Education Code; Section 480, Business and Professions Code.

**73740. Officers, Directors, Owners.**

Each owner, corporate director, chief executive or administrative officer, president, or other similar officer, and the school director, of an institution has the duty to act in the utmost good faith to do all of the following:

(a) Inquire into the operation of the institution and its compliance with all applicable law, including the requirements of the Act, this chapter, and state and federal law governing financial aid programs;

(b) Take all reasonable steps, within his or her capacity to direct the management, policies, or conduct of the institution, to cause the institution to comply

with all applicable law and to correct the effects of noncompliance, including causing the institution to pay refunds or restitution if appropriate;

(c) Disclose to the Bureau the institution's failure to comply with all applicable law or to correct the effects of noncompliance if, notwithstanding the steps taken pursuant to subdivision (b), the institution fails either

(1) to initiate steps to comply or to correct the effects of noncompliance within 30 days of the discovery of noncompliance or

(2) to comply or correct the effects of noncompliance within 90 days of the discovery of the noncompliance;

(d) Disclose immediately to the Bureau, notwithstanding subdivision (c), evidence that the institution or any person connected with the institution has engaged in fraud, misrepresentation, misappropriation or other misuse of state or federal financial aid funds, or any violation of law prosecutable as a felony. A person who has a duty to make disclosures under subdivisions (c) and (d) is not required to disclose any matter to the extent of that person's privilege under Section 940 of the Evidence Code;

(e) Expend or authorize the expenditure of the institution's assets and funds, including tuition, fees, and other charges collected from on behalf of students, in a diligent and prudent manner to assure that students receive the education, training, instruction, materials, and student services including job placement assistance which meet the requirements of the Code and this chapter.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94850, 94851, 94879, 94881 and 94915, Education Code.

## **Article 8. General Provisions Regarding Institutional Operations**

### **73750. Catalog Requirements.**

The catalog shall be updated annually. Annual updates may be made by the use of supplements or inserts accompanying the catalog. If changes in educational services, procedures, or policies are implemented before the issuance of the next updated catalog, those changes shall be reflected at the time they are made in supplements or inserts accompanying the catalog. The catalog shall include all of the following:

(a) The specific beginning and ending dates defining the time period covered by the catalog;

(b) A list and description of the educational services offered, including the length of the educational service;

- (c) A description of all of the occupations or job titles, if any, to which the educational service is represented to lead;
- (d) A description of the faculty and their qualifications;
- (e) A schedule of tuition payments, fees, and all other charges and expenses necessary for completion of each educational service offered, including the cost of equipment;
- (f) A description of cancellation and refund rights. The catalog shall also identify the institution's publications in which the refund policy is stated;
- (g) The total cost of tuition over the entire period;
- (h) A description of the student's rights under the Student Tuition Recovery Fund established pursuant to Section 94944 of the Code;
- (i) The institution's policies concerning the following:
  - (1) Admission requirements including the minimum level of education required;
  - (2) Entrance testing requirements;
  - (3) Attendance and student assignment schedules for home study or correspondence instruction;
  - (4) Student performance including student assessment policies and grading;
  - (5) Satisfactory academic progress;
  - (6) Tardiness;
  - (7) Rules of operation and student conduct;
  - (8) School location;
  - (9) Policies regarding record retention;
  - (10) Dropout and leave-of-absence policies.
- (j) A statement whether the institution provides English-as-a-second language instruction;
- (k) For institutions which participate in federal and state financial aid programs, all consumer information which the institution is required to disclose to the student;
- (l) A student complaint procedure that complies with the provisions of Section 73770 of this Chapter;
- (m) All other material facts, as required by Sections 94814(a)(8) and 94859(a)(4) of the Code, that might reasonably affect a student's decision to enroll.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94802, 94814, 94831, 94850, 94851, 94859 and 94915, Education Code.



**73760. Cosmetology School Catalog Requirements.**

In addition to the requirements of 73750, catalogs for schools of cosmetology must also include the rules and procedures established by the school for keeping an account of student class hours and practice hours completed.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code. Reference: Sections 94915(i), Education Code.

**73765. Monitoring Student Progress.**

An institution shall maintain, implement, and disclose to students a policy for monitoring the progress of each student through successive stages of its educational services. The policy shall include

- (a) a program for individual notification of the student's academic progress and
- (b) upon the student's request, an opportunity for consultation concerning the student's academic progress.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Section 94915, Education Code.

**73770. Student Complaint Procedures.**

(a) Each institution shall designate at least one person to receive and resolve student complaints. The person shall:

(1) be publicly identified in a manner designed to provide students with reasonable notice, such as in the catalog or in the notice of student rights prescribed by Section 94866 of the Code and,

(2) be regularly accessible for reasonable periods of time before or after class sessions and during the range of time in which students are scheduled to attend the institution.

(b) The designated person shall have the authority and duty to do all of the following:

(1) Investigate the complaints thoroughly, including interviewing all people and reviewing all documents that relate or may potentially relate to the complaint;

(2) Reject the complaint if, after investigation, it is determined to be unfounded or to compromise or resolve the complaint in any reasonable manner, including the payment of a refund;

(3) Record a summary of the complaint, its disposition, and the reasons; place a copy of the summary, along with any other related documents, in the student's

file, and make an appropriate entry in the log of student complaints as required by Section 73870;

(4) If the complaint is valid, involves a violation of law, and is not resolved within 30 days after it was first made by the student, notify the Bureau, the accrediting association, and law enforcement authorities of the complaint, investigation, and resolution or lack of resolution. A person who has a duty to provide notice under this paragraph is not required to disclose any matter to the extent of that person's privilege under Section 940 of the Evidence Code. If the authorized person does not provide all of the information required by this paragraph because of a claim of privilege under Section 940 of the Evidence Code, the institution shall appoint another person, who may not lawfully claim that privilege, to provide the omitted information.

(5) If the complaint is valid, determine what other students, if any, may have been affected by the same or similar circumstances and provide an appropriate remedy for those students;

(6) Implement reasonable policies or procedures to avoid similar complaints in the future;

(7) Communicate directly to any person in control regarding complaints, their investigation, and resolution or lack of resolution.

(c) A student may lodge a complaint by communicating orally or in writing to any teacher, administrator, admissions personnel, or counselor. The recipient of the complaint shall transmit it as soon as possible to the person authorized to resolve complaints and shall attempt to resolve complaints related to that person's duties.

(d)(1) If a student orally delivers the complaint and the complaint is not resolved either within a reasonable period or before the student again complains about the same matter, the institution shall advise the student that a complaint must be submitted in writing and shall provide the student with a written summary of the institution's complaint procedure.

(2) If a student complains in writing, the institution shall, within 10 days of receiving the complaint, provide the student with a written response, including a summary of the institution's investigation and disposition of it. If the complaint or relief requested by the student is rejected, the reasons for the rejection.

(e) The student's participation in the complaint procedure and the disposition of a student's complaint shall not limit or waive any of the student's rights or remedies. Any document signed by the student that purports to limit or waive the student's rights and remedies is void.

(f) The person authorized to resolve complaints under this section shall not be terminated from employment or suffer any diminution in compensation as a result of the appropriate and good faith discharge of duties under this section.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94832, 94866, 94876 and 94915, Education Code.

**73780. Documents of Completion.**

(a) A document awarded upon successful completion of an educational service may be called a diploma, certificate of merit, certificate of completion, a transcript, or a letter, but it may not be called a "degree."

(b) The document awarded upon successful completion of an educational service must contain, as a minimum, the following:

- (1) The document title;
- (2) The institution's name;
- (3) The institution's address; the institution's address may be identified as the address of its principal campus or administrative facility.
- (4) The date of issuance;
- (5) The recipient's full, legal name;
- (6) The title of the educational service or course of study which has been completed;

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94830 and 94915, Education Code.

**73790. Disclosures; Performance Standards.**

(a) No institution shall misrepresent or avoid or evade any of the disclosures required by Section 94859(a)(2) or 94816(a) of the Code, or the completion and employment standards prescribed by Section 94854 of the Code, for an institution or any of its campuses by changing the way courses are offered including changing location, closing campuses, or ceasing to offer an educational service at a campus.

(b) An institution shall make the disclosures required by Section 94859(a)(2) or 94816(a) of the Code for the campus at which the student will attend.

(c) If an institution (1) has not offered an educational service at the campus which the student will attend for a period sufficient to establish the completion or job placement rate pursuant to Section 94859(a)(2) or 94816(a) of the Code and (2) has offered the course at one or more other campuses, the institution shall make the required disclosures for each of the other campuses where the course was offered.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94816, 94832, 94850, 94851, 94854 and 94859, Education Code.

## **Article 9. Additional Requirements for Institutions Subject to Article 7**

### **73800. Refunds under Section 94870 of the Code.**

(a) The following definitions apply to terms used in Sections 94870 of the Code and this section:

(1) "Registration fee" means all fees, however denominated, charged by an institution to students who withdraw from instruction.

(2) "Hour" exclusively means a period of time consisting of either of the following:

(A) A 50-to 60-minute class, lecture, or recitation;

(B) A 50-to 60-minute faculty –supervised laboratory, shop training or internship;

(3) "Amount student has paid for instruction" includes all amounts which the student has paid, however denominated, including a registration fee, except for specific charges for equipment set forth in the enrollment agreement.

(b) A registration fee, up to the maximum amount permitted by Section 94870 of the Code, may be retained by an institution in the event of a student's withdrawal only if the registration fee is separately identified as a specific charge in the enrollment agreement.

(c) If an institution charges a registration fee, the registration fee shall be deducted from the amount paid for instruction before that amount is pro rated pursuant to the refund formula prescribed in Section 94870 of the Code.

(d)(1) The refund shall be computed by multiplying the amount the student has paid for instruction by a fraction. The fraction is the number of hours of instruction which the student has not received but for which the student has paid divided by the total number of hours of instruction for which the student has paid.

(2) For the purpose of complying with Sections 94869 and 94870 of the Code and this section, every institution shall accurately measure the length of, and academic progress in, every educational service in hours, as defined in subsection (a)(2), and shall identify the measurement for each educational service in the course syllabus and in the institution's application for approval to operate.

(3) This subsection does not apply to educational services offered by home study or correspondence.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94869 and 94870, Education Code.

**73820. English-As-A-Second Language ("ESL") Instruction; Independent Test Administration for ESL Programs.**

A test is "independently administered" within the meaning of Section 94865 of the Code only if all of the following conditions are satisfied:

(a) The test is administered in accordance with the procedures specified by the test publisher.

(b) The test is administered by a person who has no current or prior fiscal interest in the institution other than an arms-length arrangement to administer the examination.

(c) A test administrator, proctor, or scorer shall not be a current or former person in control, employee, representative, consultant, or student of the institution or an employee, representative, or person in control of another institution.

(d) If a testing or assessment center is used to administer the tests, the center shall not be owner, controlled, or operated by a current or former person in control of the institution.

(e) The institution shall maintain a record that the test was independently administered. The record shall include the test taken by the student, the date of the test, and the test score. The institution shall also keep on file a statement signed by the person administering the test and the president or chief executive officer of the institution that certifies that the test administrator has no direct or indirect relationship with the institution.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Section 94865, Education Code.

**73830. Definitions.**

The following terms used in this Section, Sections 73831 and 73832, and Section 94865 of the Code have the following meanings:

(a) "SPL" means Student Performance Level as established by the United States Department of Health and Human Services in Mainstream English Language Training Project (MELT) Resource Package published by the U.S. Dept. of Health and Human Services, Social Security Administration, Office of Refugee Resettlement, Eric Document No. 264384 (1985). A number following the term "SPL", such as SPL 3, refers to a specific Student Performance Level.

(b) "Sixth grade level" means the completion of SPL 5 (Intermediate ESL).

(c) "Adequate proficiency in oral English" means the achievement of a score on a test of speaking or comprehending the spoken English language that satisfies the requirements of Section 73831 and Section 94865(l) of the Code.

(d) "Adequate proficiency in written English" means the achievement at a score on a test of reading or writing the English language that satisfies the requirements of Section 73831 and Section 94865(l) and Section 94865(m) of the Code.

(e) "Educational service presented in the English language" includes any programs of ESL instruction.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Section 94865, Education Code.

### **73831. Minimum Test Scores.**

(a) For tests administered pursuant to Section 94865(d) of the Code, a student is deemed to have attained adequate proficiency in oral and written English if the student achieves a test score established by the test publisher as equivalent to at least (1) the completion of SPL 2 in oral English and SPL 2 in written English or (2) SPL 1 in oral English and SPL 3 in written English.

(b) For tests administered pursuant to Section 94865(e) or Section 94865(f) of the Code, a student is deemed to have attained adequate proficiency in oral and written English if the student achieves a test score established by the test publisher as equivalent to the higher of the following:

- (1) Completion of SPL 5 in oral English and SPL 5 in written English;
- (2) Completion of at least one SPL higher than the test score achieved by the student at the time of enrollment, if the student had scored the equivalent of SPL 5 or higher; or
- (3) Completion of the level, if any, of English language proficiency for instruction or job performance, as determined by a federal or state agency or the publisher of a test described in Section 94865(l) of the Code.

(c) For tests administered pursuant to Section 94865(g) of the Code, a student is deemed to have attained adequate proficiency in oral and written English if the student achieves a test score established by the test publisher as equivalent to the higher of the following:

- (1) Completion of SPL 5 in oral English and SPL 5 in written English;
- (2) Completion of at least one SPL higher than the test score achieved by the student at the time of enrollment, if the student had scored the equivalent of SPL 5 or higher; or

(3) Completion of the level of English language proficiency needed to comprehend and be able to pass the examination.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Section 94865, Education Code.

**73832. Recognition of Tests.**

For the purpose of Section 94865(l) of the Code, a test may be considered recognized for the evaluation of English language proficiency only if the test satisfies all of the test standards of the American Psychological Association and National Council on Measurement and Education, including standards related to test purpose, normative sample information, predictive validity, test content validity, test reliability, and valid and reliable cut-off scores which are appropriate to SPL.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Section 94865, Education Code.

**Article 10. Reports**

**73850. Annual Report.**

(a) Every institution shall file annually with the Bureau a report signed under penalty of perjury, by a person with personal knowledge of the facts set forth therein, that contains all of the following:

(1) The information required by Section 94808 of the Code, except for subdivision (a)(6) of Section 94808;

(2) A list of the educational services and courses of instruction offered;

(3) Financial information as required by subdivision (b);

(4) For institutions subject to Article 7, the following:

(A) The percentage figures described in subdivisions (a) and (b) of Section 94854 of the Code for the applicable time period for each course offered and the numbers on which those figures are based.

(B) The information required by paragraph (2) of subdivision (a) of Section 94859 of the Code.

(C) A statement that the information is maintained in compliance with subdivision (i) of Section 94854 of the Code and subdivision (b) of Section 94859 of the Code.

(D) The total number of students in each of the following categories:

(1) Students who enrolled in each educational service and course of instruction.

(2) Students who canceled pursuant to Section 94867 of the Code.

(3) Students who did not cancel pursuant to Section 94867 of the Code and withdrew before completion of the course or educational service.

(b)(1) An institution that collected seven hundred fifty thousand dollars (\$750,000) or more in total charges in its preceding fiscal year shall file a review of financial statements covering that period in accordance with generally accepted accounting principles.

(2) An institution that collected less than seven hundred fifty thousand dollars (\$750,000) in total charges in its preceding fiscal year shall file a compilation covering that period in accordance with generally accepted accounting principles.

(3) If an institution files its biennial audit report of financial statements pursuant to Section 94862 of the Code, that report may be used in lieu of the financial report required by this section or by Section 94861 of the Code.

(c)(1) The report of information required by Section 94808 of the Code shall cover educational programs offered in the prior calendar year.

(2) The information required by paragraph (4) of subdivision (a) shall cover the applicable time period set forth in subdivision (k) of Section 94854 of the Code.

(3) The remaining information including the financial report shall cover the institution's preceding fiscal year.

(d) An institution shall file its annual report within 120 days after the close of its fiscal year. The Bureau may extend the period for filing if the institution demonstrates evidence of substantial need but in no case longer than 60 days. The institution shall not change the date of its filing its annual report because of a change in the fiscal year without the Bureau's approval.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94806, 94808, 94861 and 94862, Education Code.

### **73860. Financial Reports.**

(a) This section applies to every audit, review, or compilation of financial statements required to be filed by the Act or by this chapter.

(b) Institutional audits, reviews, and compilations or financial data shall comply with all of the following:

(1) The financial report shall be conducted and prepared in accordance with the generally accepted accounting principles established by the American Institute of Certified Public Accountants by an independent licensed certified public accountant



who is not an employee, officer, or corporate director or member of the governing board of the institution.

(2) The financial report shall establish (A) whether the institution complies with Section 94804 of the Code or (B) if the institution is subject to Article 7, whether the institution complies with subdivision (a) of Section 94855 of the Code and whether any of the circumstances described in subdivision (b) of Section 94855 of the Code exist.

(3) If an audit performed to determine compliance with any federal or state student financial aid program reveals any failure to comply with the requirements of the program and the noncompliance creates any liability or potential liability for the institution, the financial report shall reflect the liability or potential liability.

(4) Work papers for the financial report shall be retained for five years from the date of the report and shall be made available to the Bureau upon request after the completion of the report.

(c) An audit shall be conducted in accordance with generally accepted auditing standards and shall include the matters described in subdivision (d).

(d) The Accountant shall obtain an understanding of the institution's internal financial control structure, assess any risks, and report any material deficiencies in the internal controls.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections, 94808, 94861 and 94862, Education Code.

## **Article 11. Maintenance and Production of Records**

### **73870. Logs.**

An institution shall maintain all of the following logs, kept current on a monthly basis:

(a) Drop-out log, which shall include the names, addresses, telephone numbers, and dates of withdrawal of all students who have dropped out of the institution during the calendar year.

(b) Complaint log, which shall include the name of each complaining student, a summary of each complaint, and a brief description of the disposition of the complaint.

(c) For institutions required to report placement data pursuant to subdivision (a) of Section 94816 of the Code, a placement log which shall include the name, address, and telephone number of each student who has obtained employment in any occupation or described in any job title to which the course was represented to lead,

the placement date, the job title or description, and the name, address, and telephone number of the employer.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94705, 94770, 94771, 94802, 94829, 94850, 94851, 94854, 94859, 94867, 94869, 94874 and 94945, Education Code.

**73880. Course Syllabus.**

The institution shall have on file and make available for inspection a complete syllabus for each course or other educational service. After July 1, 1993, the course syllabus shall include the following:

- (a) A short, descriptive title of the educational service;
- (b) A statement of educational objectives;
- (c) If the educational service is represented to lead to employment in any occupation or described in any job title, a complete list of occupations and job titles to which the educational service is represented to lead;
- (d) Length of the educational service;
- (e) Sequence and frequency of lessons or class sessions;
- (f) Complete citations of textbooks and other required written materials;
- (g) Sequential and detailed outline of subject matter to be addressed or a list of skills to be learned and how those skills are to be measured;
- (h) Instructional mode or methods.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code.  
Reference: Sections 94874 and 94915, Education Code.

**73890. Permits.**

The institution shall maintain on file all valid permits required by public agencies relating to the health and safety of the institution's facilities and equipment.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference cited: Section 94915, Education Code.

**73900. Student Records.**

- (a) The institution shall maintain student records for each student, whether or not the student completes the educational service, for a period ending five years after the date of the student's graduation, withdrawal, or termination.

(b) The student records shall be retrievable by student name and shall contain all of the following applicable information:

(1) Written records and transcripts of any formal education or training relevant to the student's qualifications for admission to the institution;

(2) Copies of all documents signed by the student, including contracts, instruments of indebtedness, and documents relating to financial aid;

(3) Copies of all tests given the student before admission, including ability to benefit tests and tests required by Section 94872 of the Code;

(4) Records of the dates of enrollment and, if applicable, withdrawal, leaves of absence, and graduation;

(5) A transcript showing all of the classes and courses or other educational services that were completed or were attempted but not completed and grades or evaluations given to the student;

(6) A copy of documents relating to student financial aid that are required to be maintained by law or by a loan guarantee agency;

(7) A document showing the total amount of money received from or on behalf of the student and the date or dates on which the money was received;

(8) A document specifying the amount of a refund, including the amount refunded for tuition and the amount for equipment, the method of calculating the refund, the date the refund was made, the check number of the refund, and the name and address of the person or entity to which the refund was sent;

(9) Copies of any official advisory notices or warnings regarding the student's progress;

(10) Complaints received from the student, including any correspondence, notes, memoranda, or telephone logs relating to a complaint.

(c) The institution shall maintain a exemplar of all notices and disclosures provided to students and a record of the time period within which each notice and disclosure was provided.

(d) The institution shall maintain records of student attendance.

NOTE: Authority cited: Sections 94774, 94778 and 94882 Education Code.

Reference: Sections 94829, 94874 and 94915, Education Code.

### **73910. Maintenance of Records.**

(a) Except as required by federal law, an institution shall maintain all records required by the Act and this chapter that relate to the institution's compliance with the Act and this chapter for at least five years at the institution's primary administrative location in California. Unless the institution has applied for, and the Bureau has

approved a change of the institution's primary administrative location, the primary administrative location shall be deemed to be the location identified in the institution's most recently filed application for approval to operate.

(b) A printed copy of each current record required by the Act or this chapter shall be maintained. Current records include records required by Section 73900 of this chapter for students who are attending the institution, who graduated or withdrew from the institution within the preceding one year, or for whom a refund is owed.

(c) A record that is no longer current may be stored on microfilm, microfiche, computer disk, or any other method of record storage only if all of the following apply:

(1) The record may be stored without loss of information or legibility for the period within which the record is required to be maintained by the Act;

(2) The institution maintains functioning devices that can immediately reproduce exact, legible printed copies of stored records. The devices shall be maintained in reasonably close proximity to the stored records at the institution's primary administrative location in California.

(3) The institution has personnel scheduled to be present at all times during normal business hours who know how to operate the devices and can explain the operation of the devices to any person authorized by the Act to inspect and copy records.

(4) Any person authorized by the Act to inspect and copy records shall be given immediate access to the document reproduction devices for the purpose of inspecting and copying stored records and shall, upon request, reimburse the institution for the reasonable costs actually incurred by the institution for the use of the institution's equipment and material to make copies. For the purpose of this paragraph, "reasonable costs" has the meaning specified in Section 1563(b)(1) of the Evidence Code.

(d) The institution shall maintain a second set of all records required by the Act and this chapter at a different location unless the original records, including records stored pursuant to subdivision (c), are maintained in a manner secure from damage or loss.

(e) If an institution closes, the institution and its owners are jointly and severally responsible to arrange at their expense for the storage and safekeeping in California of all records required to be maintained by the Act and this chapter for as long as those records must be maintained. The repository of the records shall make these records immediately available for inspection and copying, without charge except as allowed under subdivision (c), during normal business hours by any entity authorized by the Act to inspect and copy records.

NOTE: Authority cited: Sections 94774, 94778 and 94882 Education Code.  
Reference: Sections 94829, 94874 and 94915, Education Code.

## **Chapter 5.**

### **Provisions Applicable to All Approved Postsecondary Institutions**

#### **Article 1. Fees and Payment Schedule**

##### **74000. Fees and Penalties.**

(a) The amount of a fee to be paid is based on the fee schedule, as set by the Act or these regulations, that is in effect on the date the fee is due.

(b) Fees shall be paid as follows:

(1) A separate annual fee shall be paid for each approval to operate that is issued by the Bureau.

(2) A separate application fee shall be paid for each application for approval at the time the application is submitted to the Bureau.

(3) All fees are due and owing on the date specified by the Bureau or at the time any application for approval is submitted to the Bureau.

(c) Application fees and document fees are non-refundable.

(d) An institution that is more than 30 days delinquent in the payment of any fee shall pay a penalty fee of 20 percent of the amount of the fee that is delinquent.

(e) The Bureau shall deny a renewal of an approval to operate if the institution fails to submit at the time it files its application for approval to operate all unpaid fees, penalty fees, penalties, orders for reimbursement of costs and expenses, and assessments for, and reimbursement of all payments made to students from, the Student Tuition Recovery Fund.

(f)(1) If an institution fails to pay its annual fee and penalty fees within 30 days after the annual fee was due, the Bureau shall send the institution a notice by first-class mail indicating the Bureau's intent to initiate proceedings to revoke the institution's approval to operate within 15 days unless the institution does any of the following:

(A) Pays its annual fee and penalty fee.

(B) Provides evidence of payment.

(C) Establishes that no payment is owed.

(2) If the institution fails to do any of the acts described in subparagraphs (A) through (C) of paragraph (1) within the prescribed time period, the Bureau shall

initiate proceedings to revoke the institution's approval to operate. Prior to taking any action for revocation, the Bureau will notify the institution of its right to request a hearing and present evidence. If a hearing is requested, it shall be limited to the issues of whether an annual fee or penalty was owed and, if so, whether the annual fee and penalty was paid when originally due.

(3) The procedure specified in this subdivision is cumulative to any other right or remedy the Bureau may invoke against an institution which fails to pay its annual fee or a penalty fee when originally due. Nothing in this subdivision restricts the Bureau's authority to bring other administrative or judicial action against an institution that fails to pay its fees when due.

(4) An institution whose approval to operate was revoked because of nonpayment of an annual fee or penalty fee may seek to obtain approval to operate only by filing an application for a new approval to operate.

(g) Subdivisions (d) and (f) do not create a "grace period" or an extension of the due date for the payment of fees.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections 94774, 94802, 94830, 94835, 94836, 94840, 94878, 94932, 94944, 94945, 94946, and 94965 Education Code.

#### **74002. Definitions and References.**

(a) The definitions set forth in this section apply only to the terms as used in this Article.

(b) "Annual gross revenue" means all revenue such as tuition, fees, and other charges derived by an institution, during its last fiscal year ending before the due date of an annual fee payment, from any source for any education, instruction, training, or any services incident thereto. "Annual gross revenue" does not include unearned tuition and refunds. An institution shall account for "annual gross revenue" in accordance with generally accepted accounting principles.

(c) "Article 7 of the Act" means the Maxine Waters School Reform and Student Protection Act of 1989, Article 7 (commencing with Section 94850) of Chapter 7 of Part 59 of Division 10 of the Education Code.

(d) "Chapter 2" means Chapter 2 (commencing with Section 71000) of Division 7.5 of Title 5 of the California Code of Regulations.

(e) "Chapter 4" means Chapter 4 (commencing with Section 73000) of Division 7.5 of Title 5 of the California Code of Regulations.

(f) "Code" means the Education Code.

(g) "Course of Instruction" means a program of instruction training, or education.

(h) "Degree program" has the meaning set forth in Section 71000(i) of Chapter 2.

(i) "Degree title" has the meaning set forth in Section 71000(j) of Chapter 2.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections 94790, 94900, 94901, 94905, 94915 and 94932, Education Code.

#### **74004. Fee Schedule.**

The Bureau shall, establish a fee schedule containing all of the fees charged by the Bureau. The Bureau shall provide the fee schedule to any person upon request. No fee established in the fee schedule may exceed the maximum amount provided by this Article.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Section 94932, Education Code.

#### **74006. Annual Fee.**

(a) Every institution shall pay the applicable annual fee within 30 days of the date on which the institution originally received its approval to operate and each year thereafter on the anniversary of the date of the original approval.

(b) An institution shall pay its annual fee in addition to any other applicable fees set forth in the fee schedule.

(c) Except as provided in subsection (e), the annual fee assessed to an institution shall be at least seven hundred dollars (\$700) and shall not exceed the lesser of one percent of the institution's annual gross revenues or eight thousand dollars (\$8,000).

(d) An annual fee of up to one hundred dollars (\$100) for the Bureau's monitoring of exemption status under Section 94739 of the Code.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections 94710, 94915 and 94932, Education Code.

**74008. Fees Payable by Institutions In Connection With Approval Under Sections 94900, 94901 and 94905 of the Code.**

The Bureau may assess the following fees, not to exceed the maximum amounts set forth below, on institutions subject to approval under Sections 94900, 94901 and 94905 of the Code:

(a) A fee up to five thousand dollars (\$5,000) for an original or reapproval application for up to five degree programs.

(b) A fee up to three hundred dollars (\$300) for each additional degree program above five degree programs included in the original or reapproval application.

(c) A fee of up to three hundred dollars (\$300) for each degree title which an institution applies for approval to add.

(d) A fee of up to two thousand eight hundred dollars (\$2,800) for an application for approval to add degree programs in addition to the reimbursement of visiting committee expenses as provided in Section 71475 of Chapter 2. An institution may file one or more applications in a one-year period for approval to add a total of up to six degree programs. A separate fee shall be assessed for each application. If an institution seeks to add a total of more than six degree programs in any one-year period, the institution shall file a reapproval application with the fee prescribed in subsection (a).

(e) A fee of up to four hundred dollars (\$400) for each course of instruction subject to Article 7 of the Act included in the original or reapproval application in addition to the fee prescribed in subsection (a).

(f) A fee of up to one thousand dollars (\$1,000) in addition to the fee prescribed in subsection (a) if the institution offers a course of instruction subject to Article 7 of the Act.

(g) A fee of up to one thousand dollars (\$1,000) in addition to other fees for adding courses of instruction, if the added course or courses of instruction are subject to Article 7 of the Act and the institution has not paid the fee described in subsection (f) in connection with its last application for approval or reapproval.

(h) A fee of up to three hundred fifty (\$350) to change a main location.

(i) A fee of up to one hundred and fifty dollars (\$150) to change a branch location.

(j) A fee of up to five thousand dollars (\$5,000) for a change of ownership.

(k) A fee of up to three hundred dollars (\$300), every three years for the processing of a statement of exemption under Section 94739 (b) (6) of the Code.



NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections 94900, 94901, 94905 and 94932 Education Code; and 5 CCR sections 71000 et seq. and 72000 et seq.

**74010. Fees Payable by Institutions In Connection With Approval Under Section 94915 of the Code.**

The Bureau may assess the following fees, not to exceed the maximum amounts set forth below, in connection with approval under Section 94915 of the Code:

(a) A fee of up to one thousand three hundred dollars (\$1,300) for an original or reapproval application for up to five courses of instruction. A separation application fee shall be paid for the main location and for each branch location.

(b) A fee of up to two hundred dollars (\$200) for each additional course of instruction above five included in an original or reapproval application.

(c) A fee of up to one thousand two hundred dollars (\$1,200) for a new institution of a nonprofit public benefit corporation, organized pursuant to Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code, if the institution offers education limited to instruction in employment and skill training at no charge to people receiving the education.

(d) A fee of up to four hundred dollars (\$400) for each course of instruction which an institution applies for approval to add.

(e) A fee of up to one thousand dollars (\$1,000) in addition to the original or reapproval application fee if the institution offers a course of instruction subject to Article 7 of the Act.

(f) A fee of up to one thousand dollars (\$1,000), in addition to other fees for adding courses of instruction, if the added course or courses of instruction are subject to Article 7 of the Act and the institution has not paid the fee described in subsection (e) in connection with its last application for approval or reapproval.

(g) A fee of up to one thousand three hundred dollars (\$1,300) for a change of ownership.

(h) A fee of up to three hundred and fifty dollars (\$350) for each change of a main or branch location.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections 94915 and 94932, Education Code; and 5 CCR section 73000 et seq.

**74014. Institutions Subject to Section 94931(c)(3) of the Code.**

The Bureau may assess the following fees, not to exceed the maximum amounts set forth below, on institutions subject to Section 94931(c)(3) of the Code:

- (a) A fee of up to eight hundred fifty dollars (\$850) for an original filing.
- (b) A fee of up to three hundred fifty dollars (\$350) for every annual filing after the original filing.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections 94742.1, 94931(c)(3) and 94932, Education Code.

**74016. Agents and Agencies.**

The Bureau may assess the following fees, not to exceed the maximum amounts set forth below, on agents and agencies:

- (a) A fee of up to one hundred twenty-five dollars (\$125) for an application for an agent's permit under Section 94940 of the Code.
- (b) For an application for agency authorization under Section 94942 of the Code, a fee of up to one thousand six hundred fifty dollars (\$1,650) if there are three or more agents and a fee of up to nine hundred dollars (\$900) if there are less than three agents.

NOTE: Authority cited: Sections 94932, 94934, 94940 and 94942, Education Code. Reference: Sections 94932, 94940 and 94942, Education Code; and 5 CCR section 75000 et seq.

**74018. Certificates of Authorization.**

The Bureau may assess a separate fee of up to seventy-five dollars (\$75) for each three-year certificate of authorization permitting service in one of the particular positions listed in Section 94920 (b) of the Code.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections 94915, 94920 and 94932, Education Code; and 5 CCR section 73660 et seq.

**Article 2. Change of Ownership or Control****74020. Definitions.**

As used in section 94846 of the Code or in this Article:

- (a) "Shift in control" or "change in control" means any change in the power or authority to manage, direct, or influence the conduct, policies, and affairs of an

institution from one person or group of people to another person or group of people. A "shift in control" or "change in control" may but need not involve a transfer of any property interest. A "shift in control" or "change in control" may include a shift in the voting control of corporate stock from one person or group to another, the acquisition of sufficient stock by a minority shareholder to gain control of the institution, the transfer of voting rights to a voting trust, the transfer of any ownership interest to any trust in which the owner does not have the same degree of control as before the transfer, and the transfer of authority to manage the institution by the owners to another. A "shift in control" or "change in control" does not include the owner's replacement of an individual administrator with another natural person if the owner does not transfer any interest in the institution or relinquish any control of the institution to that person.

(b) Where a shift in control or change in control is proposed, the "Applicant" means any person who would acquire any property or ownership interest in an institution, or any power or authority to manage, direct, or influence the conduct, policies, and affairs of an institution, as the result of a "change of ownership," "shift in control," or "change in control," as defined in subdivision (e) of Section 94846, of the Code or this section.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Section 94846, Education Code.

#### **74030. Application for Change of Ownership.**

(a) No change of ownership, change in control, or shift in control shall take place or have any validity or effect until the applicant applies for approval and the Bureau grants approval for a change of ownership or shift or change in control.

(b) The application shall be made in writing and shall contain or be accompanied by all of the following:

(1) An application for a new approval to operate, which may incorporate by reference information contained in the institution's most recently filed application for approval to operate to the extent that information applies and is not misleading as to the applicant;

(2) A detailed description of the change of ownership or shift or change in control;

(3) The prescribed fee.

(c) The application shall be signed, and each fact stated therein shall be declared to be true under penalty of perjury, by each applicant. The declaration shall be in the following form:

"I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct:

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature)

NOTE: Authority cited: Sections 94774 and 94778, Education Code.  
Reference: Sections 94739, 94802 and 94846, Education Code; Section 2015.5, Code of Civil Procedure.

**74040. Completion of Application.**

(a) Within 15 days after receipt of an application for a change of ownership or shift or change in control described in Section 74030 of this chapter, the Bureau shall notify the applicant in writing that the application is complete and has been accepted for filing or that the application is not complete. If the application is not complete, the Bureau shall specify in the notice what additional information or documents the applicant must submit for the application to be deemed complete.

(b) The Bureau shall consider that an application for a change of ownership or shift in control is complete if it appears that the applicant has submitted all of the information and documents required by Section 74030 of this chapter, including the application and all supporting information and documents for a new approval to operate.

(c) The time period specified in Section 74050 of this chapter for action by the Bureau on an application shall not commence until the Bureau has received a complete application.

(d) Nothing herein prevents the Bureau from requesting that the institution or the applicant provide further information, documents, or other evidence which the Bureau deems necessary or appropriate for its evaluation of the applicant, the institution, or the application.

NOTE: Authority cited: Sections 94774 and 94778, Education Code Reference: Sections 94802, 94840 and 94846, Education Code.

**74050. Processing Time.**

(a) Except for investigations and disciplinary matters, the review of an application for a change of ownership or a shift or change in control shall be given the highest priority by the Bureau.

(b) The Bureau shall make a decision on the merits within 90 days of receiving a complete application unless the Bureau extends the time for a period not to exceed 90 days to examine information received after the filing of the complete application. The Bureau shall approve the application unless any ground for denial exists as provided in the Act or this chapter.

NOTE: Authority cited: Sections 94774 and 94778, Education Code.

Reference: Sections 94802, 94840, 94846, 94900, 94901, 94905 and 94915, Education Code.

### **Article 3. Probation**

#### **74100. Probation.**

(a) This section applies to an order of probation issued pursuant to subdivision (h) of Section 94901 or subdivision (j) of Section 94915 of the Code.

(b) When the Bureau determines that an institution has deviated from any of the standards for approval and that an order of probation may be appropriate, the Program Administrator, on behalf of the Bureau shall provide the institution with written notice of the following:

(1) The Bureau's intent to place the institution on probation and the proposed terms of probation;

(2) The grounds for the action with sufficient particularity to give notice of the transactions, occurrences, violations, or other matters on which the action is based;

(3) The right to a hearing and the time period within which the party subject to the notice may make a written request for a hearing. The time period shall not be less than 15 days after service of the notice unless a longer period is provided by statute;

(4) The nature of the hearing;

(5) That the administrative action set forth in the notice will be taken and shall become final if the party subject to the notice does not make a written request for a hearing within the time period expressed in the notice.

(c) If a hearing is not requested in writing within the time period prescribed in the notice, the order of probation set forth in the notice shall become final.

(d) If a hearing is requested, the hearing shall be limited to the presentation of written evidence. All testimony shall be in the form of declarations.

(e) If a hearing is requested, the Program Administrator shall furnish the institution with copies of the written evidence upon which the Bureau relies. No other discovery shall be permitted.

(f) The Program Administrator shall make a decision that shall be based exclusively on the evidence furnished by the institution and the evidence provided to the institution. The decision shall be supported by substantial evidence in the record. The Program Administrator shall issue a brief written statement of decision explaining the factual and legal basis for the decision as to each of the grounds for the probation set forth in the notice. An order of probation based on the Program Administrator's decision shall be issued and shall be effective upon service by certified mail or personal service or at such other time designated in the order. The Program Administrator shall serve a copy of the decision and order, within 10 days of their issuance, on each party and its counsel. Unless review is sought as provided in subdivision (g), the decision and order shall be final.

(g)(1) Any party aggrieved by the Program Administrator's decision or order may file a written request with the Director, within 10 days of the service of the Bureau's decision and order, for the Director's review of the decision and order.

(2) The Director's review shall be limited to the written evidence presented at the hearing.

(3) The Director may affirm all or any portion of the decision or order by adopting the provisions to be affirmed. The Director may modify or reverse all or any portion of the decision or order and shall issue a brief written statement explaining the factual and legal basis of the Director's decision.

(4) The Director's decision and order shall be issued within 30 days after the date in which the matter was submitted to him or her or within any additional period not to exceed 30 days that may be ordered by the Director. The Director's decision and order is final and shall be effective upon service by certified mail or personal service or at such other time as designated in the order. The Director shall serve a copy of the final decision and order, within 10 days of their issuance, on each party and its counsel. The Program Administrator's decision and order shall remain in effect until the effective date of the Director's decision and order.

(h) (1) Any party aggrieved by the Director's final decision and order may seek judicial review by filing a petition for a writ of mandate pursuant to Section 1094.5 of the Code of Civil Procedure within 30 days of the issuance of the final decision and order. If review is not sought within that period, the party's right to review shall be deemed waived.

(2) The aggrieved party shall present the complete record of the hearing or all portions of the record necessary for the court's review of the Director's final decision

and order. The Director shall furnish the party with a certified copy of the record within 10 days of a written request upon the party's payment of the cost of the records preparation. The factual bases supporting the final decision set forth in the Director's statement of decision shall be conclusive if supported by substantial evidence on the record considered as a whole.

(i) No institution has a right to a hearing on the issue of whether the Program Administrator should have initiated the action.

(j) If the Bureau determines that the institution is not following the terms of probation or has not taken reasonable steps to conform to the standards prescribed by the Act and this chapter, the Bureau shall institute action to suspend or revoke the institution's approval to operate as provided in the Act and this chapter. Nothing herein limits the ability of the Bureau to take any administrative or judicial action authorized by the Act at any time based on any violation.

NOTE: Authority cited: Sections 94965, 94774 and 94778, Education Code. Reference: Sections 94771, 94900, 94901, 94905 and 94915, Education Code.

#### **Article 4. General Provisions**

##### **74120. Substantial Relationship Criteria.**

In determining whether any of the grounds for denial set forth in Section 480 of the Business and Professions Code exist, a crime or act shall be considered substantially related to the qualifications, functions, or duties of any owner, corporate director or member of the governing board, officer, administrator, or instructor under any of the following circumstances:

(a) The crime or act involves any violation of the Act or this chapter, the closure of an institution, fraud or misrepresentation, breach of fiduciary duty, any type of forgery or theft, or any type of dishonesty causing any financial loss.

(b) The crime, to a substantial degree, evidences present or potential unfitness to perform the functions and duties authorized or required by the Act or this chapter in a manner consistent with the public health, safety, or welfare, including a crime prohibited by Title 8 (commencing with Section 187) or Title 9 (commencing with Section 261) of the Penal Code.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections 480 and 481, Business and Professions Code; Sections 94830, 94846, 94900, 94901, 94905, 94915, 94940 and 94942, Education Code.

**74130. Criteria for Rehabilitation.**

In determining whether any of the grounds for denial set forth in Section 480 of the Business and Professions Code exist, the Bureau shall consider evidence of rehabilitation and present eligibility for any approval or certificate issued by the Bureau, including all of the following factors:

- (a) The nature and severity of the acts or crimes under consideration as grounds for denial;
- (b) Evidence of any act committed after the acts or crimes under consideration as grounds for denial that also could be considered grounds for denial;
- (c) The time that has elapsed since commission of the acts or crimes described in subdivisions (a) and (b);
- (d) The extent to which the person has complied with any terms of parole, probation, restitution, or any other sanctions lawfully imposed against the applicant;
- (e) Evidence of any rehabilitation submitted by the applicant;
- (f) Total criminal record;
- (g) Evidence, if any, of expungement proceedings pursuant to Section 1203.4 of the Penal Code.

NOTE: Authority cited: Sections 94774, 94778 Education Code. Reference: Sections 480 and 482, Business and Professions Code; and Sections 94830, 94846, 94900, 94901, 94905, 94915, 94940 and 94942, Education Code.

**74140. Retention of Advertising.**

Every institution shall retain, for a minimum of five years, copies of all advertising, including (a) flyers, brochures, newspaper, and other print advertisements, (b) scripts for, and audio and video recordings of, broadcast advertisements, and (c) scripts for telephone solicitations. The institution shall make these records immediately available for inspection and copying during normal business hours to site visit teams, the Bureau, and the agencies specified in Section 94952 of the Code.

NOTE: Authority cited: Sections 94774, 94778 and 94875, Education Code. Reference: Sections 94705, 94831, 94832, 94836, 94850, 94874, 94900, 94901, 94905, 94915 and 94952, Education Code.



**74150. Use of Term "University."**

(a) For the purpose of this section, "university" means an institution of higher education that confers master's or doctor's degrees upon the completion of programs of graduate or professional study and that may also confer bachelor's degrees upon the completion of programs of undergraduate study.

(b) After the time period prescribed in subdivision (c), no institution shall use the word "university" in its name or in connection with a description of itself or its educational programs unless (1) the institution is a university as defined in subdivision (a) or (2) the institution uses other words in conjunction with "university" to prevent the use of "university" from being deceptive or misleading in any manner.

(c) This section applies to institutions established after the effective date of this section and to all other institutions after January 1, 1993.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code

Reference: Sections 94705, 94800, 94810, 94812, 94814, 94816, 94831, 94832 and 94850, Education Code.

**74160. Surrender of Approval.**

Any person or institution may at any time voluntarily surrender an approval to operate, certificate of authorization, agent's permit, or agency authorization by providing written notice to the Bureau. The surrender shall be deemed irrevocable, and if the person or institution surrendering the approval, certificate, permit, or authorization desires to regain the surrendered status, the person or institution shall submit a new application.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections 94774, 94802, 94878, 94915, 94940, 94942 and 94944, Education Code.

**74170. Stipulations.**

(a) The Director, on behalf of the Bureau, may enter into a written stipulation with any person or institution for an order to do any of the following:

- (1) Impose probation;
- (2) Impose a condition or restriction on, or the suspension or revocation of, an approval to operate, certificate of authorization, agent's permit, or agency authorization;
- (3) Require the payment of fees, penalties, costs and expenses incurred by the Bureau, reimbursements to the Student Tuition Recovery Fund, or refunds or other amounts to or on behalf of students.

(b) The written stipulation shall disclose that the person or institution entering the stipulation has waived the right to notice, hearing, and appeal concerning the subject matter of the stipulation.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections 94771, 94774, 94830, 94835, 94878, 94915, 94940, 94942 and 94944, Education Code.

**74180. Abandonment of Application.**

An application that has not been completed by the applicant in accordance with the Act and this chapter within one year after the application was initially filed shall be deemed abandoned. If an application has been abandoned, the applicant may seek approval to operate only by submitting a new application and fee.

NOTE: Authority cited: Section 94774, Education Code. Reference: Sections 94900, 94901, 94905 and 94915, Education Code.

**74190. Agents for Service of Process: Changes.**

Every institution shall inform the Bureau in writing of any change in the name and/or address of the institution's agent for service of process. Until an institution serves the Bureau with a written notice of change in the agent's name and/or address, the institution shall be deemed to have consented to the Bureau's service of all documents, including administrative and judicial notices and pleadings, at the address of the agent for service of process last designated by the institution in writing to the Bureau.

NOTE: Authority cited: Sections 94774, 94778 and 94859(b), Education Code. Reference: Sections 94800 and 94818, Education Code.

**74200. Cessation of Educational Service.**

Every institution shall notify the Bureau in writing at least 30 days before the institution ceases to offer any educational service.

NOTE: Authority cited: Sections 94774, 94778 and 94882, Education Code. Reference: Sections 94774, 94830, 94900, 94901, 94905, 94915 and 94944, Education Code.

## **Article 5. Provisions Governing Temporary Approvals to Operate**

### **74300. Duration of Temporary Approvals.**

A temporary approval to operate will remain in effect for at least 90 days, but not more than 360 days.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections 94900, 94901, 94905 and 94915, Education Code.

### **74310. Temporary Approval Notice.**

Every institution which receives a temporary approval to operate pursuant to Education Code Sections 94901(g) or 94915(f) shall include the following notice in its catalog and in any written material it distributes to students or prospective students which in any way is descriptive of that institution's approval status:

This institution has received a temporary approval to operate from the Bureau for Private Postsecondary and Vocational Education ("Bureau"). A temporary approval is merely an interim designation the Bureau can authorize pending a qualitative review and assessment of the institution. At the time it is issued, the Bureau has not yet conducted a site visit. It is issued if the Bureau determines the institution's operational plan satisfies the minimum standards listed in Education Code Sections 94900(a) or 94915 (a) and (b), whichever is applicable. The temporary approval will remain in effect for at least 90 days, but not more than 360 days in order to enable the Bureau to conduct the site visit and inspection of the institution. After that visit, the Bureau will then determine whether the institution should be approved on a permanent basis.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections 94900, 94901, 94905 and 94915, Education Code.

### **74320. Temporary Approval Notice for the Media.**

Every institution which receives a temporary approval to operate pursuant to Education Code Sections 94901(g) or 94915(f) shall have the following notice included in any advertisements it causes to be published in the print or electronic media:

This institution has received temporary approval to operate from the Bureau for Private Postsecondary and Vocational Education in order to enable the Bureau to conduct a quality inspection of the institution.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections 94900, 94901, 94905 and 94915, Education Code.

## **Chapter 6.**

### **Agents and Agencies**

#### **Article 1. Agents**

##### **75000. Agent's Permits Required.**

No person shall act as an agent, as defined at subdivision (d) of Section 94715 of the Code, unless the person first applies for, and the Bureau grants, a permit.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections 94715 and 94940, Education Code.

##### **75020. Application for Agent's Permit.**

(a) The application shall be made in writing indicating the year to which the application applies and shall be signed under penalty of perjury by the applicant.

(b) The application for an agent's permit shall contain or be accompanied by all of the following:

(1) The applicant's full name, business and residence addresses, telephone number, date of birth and driver's license number.

(2) The statement, bond, and fee prescribed by subdivision (a) of Section 94940 of the Code.

(3) A statement certifying that there are no grounds for denial of the permit under Section 480 of the Business and Professions code.

NOTE: Authority cited: Sections 94774 and 94778, Education Code.  
Reference: Sections 94716 and 94940, Education Code.

##### **75030. Complete Application; Bureau's Decision.**

(a) The Bureau shall inform an applicant for an agent's permit in writing within 30 days of receipt of the application that the application is complete and accepted for filing, or that the application is deficient and what information is required.

(b) Within 30 days following the receipt of a complete application, the Bureau shall issue an agent's permit if the Bureau determines that all of the following criteria have been satisfied:

(1) The applicant for an agent's permit has complied with Section 94940 of the Code and has not acted as an agent or agency, within three years before the filing of the application, in violation of Sections 94831, 94940, 94942 and, to the extent applicable, Sections 94832 and 94853 of the Code.

(2) There are no grounds for denial as prescribed in Section 480 of the Business and Professions Code.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Section 94940, Education Code; and Sections 15375 and 15376, Government Code.

#### **75040. Term of Permit.**

An agent's permit shall terminate on December 31 of the calendar year in which it was issued. It may not be renewed, but the holder of the permit may apply for and obtain a new permit if all of the requirements of law are satisfied.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Section 94940, Education Code.

### **Article 2. Agencies**

#### **75100. Agency Authorization Required.**

No person shall operate as an agency, as defined in subdivision (b) of Section 94713 of the Code, unless the person or business entity applies for, and the Bureau grants, an authorization.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections 94713 and 94942, Education Code.

#### **75110. Application for Agency Authorization.**

(a) The application for an agency authorization shall be made in writing and shall be signed under penalty of perjury by the applicant.

(b) The application shall contain or be accompanied by all of the following:

(1) The applicant's full name, business and residence addresses, telephone number, date of birth and driver's license number;

(2) The information and bond required by Section 94942 of the Code;

- (3) The prescribed fee;
- (4) A statement certifying that there are no grounds for denial of the permit under Section 480 of the Business and Professions Code.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Sections 94714 and 94942, Education Code.

**75120. Complete Application; Bureau's Decision.**

(a) The Bureau shall inform an applicant for an agency authorization in writing within 30 days of receipt of the application that the application is complete and accepted for filing, or that the application is deficient and what information is required.

(b) Within 30 days following the receipt of a complete application, the Bureau shall issue an agency authorization if the Bureau determines that all of the following criteria have been satisfied:

(1) The applicant for an agency authorization has complied with Section 94942 of the Education Code and neither the applicant, the owners of the agency, nor the agency's employees have acted as an agency or as agents, within three years before the filing of the application, in violation of Sections 94831, 94940, 94942 and, to the extent applicable, Sections 94832 and 94853 of the Code.

(2) There are no grounds for denial as prescribed in Section 480 of the Business and Professions Code.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Section 94940, Education Code; and Sections 15375 and 15376, Government Code.

**75130. Term of Permit.**

An agency authorization shall expire one year after its issuance. The holder of the permit may apply for and obtain a new permit if all of the requirements of law are satisfied.

NOTE: Authority cited: Sections 94305, 94774, and 94778 Education Code. Reference: Section 94942, Education Code.

## **Chapter 7**

### **Student Tuition Recovery Fund**

#### **Article 1. General Provisions**

##### **76000. Definitions.**

For purposes of Sections 94944 and 94945 of the Code and this chapter, the following definitions apply:

(a) "Prepaid" describes any amount of money which an institution accepts in advance of rendering educational services.

(b) "Fund" means the Student Tuition Recovery Fund.

(c) "Tuition" means the actual amount charged each student for instruction, instructional materials, equipment costs and any other fee required of the student in order for the student to receive a certificate of completion or diploma attesting to the completion of the instruction required for such certificate or diploma. "Tuition" does not include costs of room and board, supplies, an application fee or transportation. For purposes of calculating assessment under section 94945, tuition does not include the STRF fee.

(d) "California resident" means a person who resides in California at the time the enrollment agreement is signed or when he or she receive lessons at a California mailing address from an approved institution offering correspondence instruction.

(e) "Closed institution" means an institution at which a closure has occurred.

(f) "Closure" as describe in paragraph (1) of subdivision (a) of Section 94944 of the Code, also includes class instruction that ceases to be offered because the institution moved the location of the class instruction without compliance with subdivision (h) of Section 94873 of the Code and this chapter.

(g) "Economic loss" means pecuniary loss which is the sum of the student's tuition, cost of equipment and materials, and interest on students loans used to pay for tuition, equipment and materials, collections costs and penalties. Economic loss shall also include the amount the institution collected and failed to pay to third parties on behalf of the student for license fees or any other purpose. Economic loss does not include STFR fees, application fees or non-pecuniary damages such as inconvenience, aggravation, emotional distress, or punitive damages.

(h) "Continuing student" is a student who signed an enrollment agreement before January 1, 2002 for classes starting on or after January 1, 2002. A continuing student is not a "new student," as defined in section 94945 of the Code.

(i) “Newly enrolled student” is a “new student,” as defined in section 94945 of the Code.

(j) “Soon after” means, for the purposes of section 94944(d)(1)(F), within 90 days after an institution’s closure.

(k) “Student Tuition Recovery Fund fee” or “STRF fee” means a state-imposed charge required to be paid by a California resident student who pays his or her tuition directly or through a loan to an institution.

(l) “Teach-out” means an arrangement whereby an institution offers to provide to a student, without any additional charge, all of the instruction promised but not provided to that student by a closed institution because of the closure.

(m) “Teach-out institution” means the institution offering a teach-out.

NOTE: Authority cited: Sections 94770, 94774 and 94778, Education Code.  
Reference cited: Section 94825, 94852, 94873, 94944 and 94945, Education Code.

#### **76010. Teach-Out Plan.**

An institution closing or not seeking renewal to operate before the completion of educational services by all enrolled students shall propose a written plan to assist the Bureau to develop teach-out options for students.

NOTE: Authority cited: Sections 94770, 94774 and 94778, Education Code.  
Reference cited: Section 94944, Education Code.

### **Article 2. Assessment**

#### **76120. Amount of Assessment.**

(a) For enrollment agreements signed during the January 1, 2002 to December 31, 2002 period, an assessment of three dollars (\$3.00) per one thousand dollars (\$1,000) of tuition, rounded to the nearest thousand dollars, applies to each new student as tuition is paid or loans are funded on behalf of the student. For tuition paid of one thousand dollars (\$1,000) or less, the assessment is three dollars (\$3.00).

(b) Commencing with January 1, 2003, an assessment of two dollars and fifty cents (\$2.50) per one thousand dollars (\$1,000) of tuition, rounded to the nearest thousand dollars, applies to each new student as tuition is paid or loans are funded on behalf of the student. For tuition paid of one thousand dollars (\$1,000) or less, the assessment is two dollars and fifty cents (\$2.50).

(c) Continuing students, as defined under Section 76000(h), shall be assessed the fee in existence before January 1, 2002 as follows:



(1) Two dollars and fifty cents (\$2.50) per student for a total course cost of one cent (\$0.01) to two thousand nine hundred ninety nine dollars and ninety-nine cents (\$2,999.99) inclusive.

(2) Three dollars and fifty cents (\$3.50) per student for a total course cost of three thousand dollars (\$3,000) to five thousand nine hundred ninety nine dollars and ninety-nine cents (\$5,999.99) inclusive.

(3) Four dollars and fifty cents (\$4.50) per student for a total course cost of six thousand dollars (\$6,000) to eight thousand nine hundred ninety nine dollars and ninety-nine cents (\$8,999.99) inclusive.

(4) Five dollars and fifty cent (\$5.50) per student for a total course cost of nine thousand dollars (\$9,000) or more.

(d) If an institution has not paid assessments to the Fund for a total of 16 quarters at the time the institution is granted an approval to operate, the Bureau shall levy assessments on the institution for up to an aggregate total of 16 quarters regardless of whether the Fund balance as of June 30 of the prior fiscal year exceeds one million five hundred thousand dollars (1,500,000) in the degree-granting postsecondary educational institution account for four million five hundred thousand dollars (\$4,500,000) in the vocational educational institution account.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference cited: Section 94945, Education Code.

**76130. Due Date of Assessments and STRF Assessment Reporting Forms.**

(a) The Bureau shall provide each institution and each registered institution offering Short-term Career Training with STRF Assessment Reporting, Forms#STRF-03, 04 and 05, effective January 1, 2002, as applicable, during the last month of each calendar quarter: March, June, September and December.

(b) An institution and a registered institution offering Short-term Career Training shall complete the STRF Assessment Reporting, Forms #STRF-03, 04 and 05, effective January 1, 2002, as applicable, and remit the STRF fees collected from continuing, new and newly enrolled students to the Bureau no later than the last day of the month following the close of the quarter as follows: April 30 for the first quarter, July 31 for the second quarter, October 31 for the third quarter, and January 31 for the fourth quarter. An institution and a registered institution offering Short-term Career Training are not required to remit a STRF fee for a continuing, new or newly enrolled student who has exercised his or her right of rescission under sections 94812, 94822 and/or 94867.

(1) If the due date falls on a Saturday, Sunday or State or federally-approved holiday, the due date shall be extended to the next day which is not a Saturday, Sunday or state or federally-approved holiday.

(c) In the event of a school closure, unpaid assessments shall be remitted to the Bureau within seven days following the cessation of instruction.

(d) An institution and a registered institution offering Short-term Career Training shall collect and maintain a record of student information to substantiate the data reported on the STRF Assessment Reporting, Forms # STRF-03, 04 and 05, effective January 1, 2002, eligibility requirements under the Fund that shall include the following for each student:

- (1) Identification number and/or Social Security number,
- (2) First name,
- (3) Last name,
- (4) Local or mailing address,
- (5) Home address,
- (6) Date enrollment agreement signed,
- (7) Courses and course costs,
- (8) Amount of STRF fee collected,
- (9) Quarter in which the STRF fee was remitted to the Bureau,
- (10) Third-party payer identifying information,
- (11) Total tuition charged,
- (12) Total tuition paid.

(e) The data under this subdivision (d) shall be maintained in an intelligible form and orderly manner either manually or in electronic format so that the information is readily available and open to inspection by the Bureau upon request. All record-keeping systems shall include identification of coding systems that are readily available whenever they are used to record and maintain any of the information required under this subdivision.

(f) If the Bureau fails to send the STRF Assessment Reporting Forms #03, 04 and/or 05, effective January 1, 2002 to an institution or registered institution offering Short-term Career Training in accordance with section 76130(a), the following applies:

(1) An institution or registered institution offering short-term Training shall remit STRF fees collected from continuing and new students and completed STRF Assessment Reporting Forms #STRF-03, 04 and/or 05, effective January 1, 2002, as applicable, for every quarter occurring after January 1, 2002 in which the Bureau failed to send the forms described under section 76130(a).

(2) STRF Assessment Reporting Forms #STRF-03, 04 and 05 and corresponding STRF fees shall be remitted to the Bureau within 40 days from the date of mailing by the Bureau.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference Section 94812, 94822, 94829, 94832, 94835, 94836, 94867 and 94945, Education Code.

### **Article 3. Payments from the Fund**

#### **76200. Application for Payment.**

(a) Student Tuition Recovery Fund (STRF) Application, Form #STRF 02, effective January 1, 2002, shall be used to file claims for payment from the Fund.

(b) The Bureau may conduct an investigation to verify whether to grant or deny a claim.

(c) If the Bureau pays the claim, the amount of the payment is measured by the total amount of the student's economic loss, as defined in Section 76000(g). The amount of the refund is not dependent on, or necessarily limited to, the amount of refund the student would have received from the institution if the student had voluntarily withdrawn.

(d) A judgment against an institution for any violation of the Act that provides for damages or restitution for students affected by the violation and that was obtained in any group or class action. In any action brought by the Bureau, the Attorney General, or any other law enforcement agency, or in any action brought pursuant to Section 17200 of the Business and Professions Code, shall be entitled to payment from the Fund provided that the judgment cannot be collected despite diligent collection efforts, a claim is filed within two years after the judgment became final, a claim indicating the total amount of the judgment allocable to each student is filed, and the total amount paid to each student does not exceed the amount which the student would have been entitled to receive if the student had obtained a judgment for the amount allocable to the student.

(e) If a student elects a teach-out, the following conditions apply:

(1) If the student withdraws from the teach-out institution within the first two weeks of enrollment, the student shall be entitled to apply to the Fund to recover the student's full economic loss related to the payment of tuition to the closed institution.

(2) If the student withdraws from the teach-out institution after the first two weeks of enrollment, the student shall be entitled to apply to the Fund to recover a

pro rata refund, to the extent provided by statute, for the portion of the education service paid for but not received.

(3) If the teach-out institution receives the proceeds of any financial aid disbursements, the teach out institution shall make the appropriate refunds or payments as provided in paragraph (1) or (2) but only to the extent of proceeds actually received.

(4) If the teach-out institution provides all of the instruction which the closed institution represented it would provide, the student shall not be entitled to claim reimbursement of the amount that the student paid to the closed institution for instruction.

(5) In addition to any recovery provided in paragraph (1) or (2), a student may claim all economic loss incurred as a result of the closure up to the maximum amount permitted by statute.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference cited: Section 94944 and 94945, Education Code.

#### **72610. Payment of Claims.**

(a) The Bureau shall negotiate with a lender, holder, guarantee agency, or the U.S. Department of Education for the full compromise or write-off of student loan obligations to relieve students of economic loss and, if possible, to reduce the liability of the Fund for the payment of claims.

(b) The Bureau may pay, with the student's permission, a student's claim directly to the lender, holder, guarantee agency, or U.S. Department of Education under a federally guaranteed student loan program only if the payment of the claim fully satisfies all of the student's loan obligations related to attendance at the institution for which the claim was filed.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference: Section 94944, Education Code.

#### **76215. Student Tuition Recovery Fund Disclosures.**

(a) An institution approved under Article 8 (commencing with section 94900 of the Code), Article 9 (commencing with section 94915 of the Code), or a registered institution offering Short-term Career Training shall include on both the enrollment agreement and the current schedule of student charges, the following statement:

“You must pay the state-imposed fee for the Student Tuition Recovery Fund (STRF) if all of the following applies to you:

1. You are a student, who is a California resident and prepays all or part of your tuition either by cash, guaranteed student loans, or personal loans, and

2. Your total charges are not paid by any third-party payer such as an employer, government program or other payer unless you have a separate agreement to repay the third part.

You are not eligible for protection from the STRF and you are not required to pay the STRF fee, if either of the following applies:

1. You are not a California resident.

2. Your total charges are paid by a third party, such as an employer, government program or other payer, and you have no separate agreement to repay the third party.”

(b) In addition to the statement described under subdivision (a) of this section, the institution or registered institutions offering Short-term Career Training shall include on the current schedule of student charges, the following statement:

“The State of California created the Student Tuition Recovery Fund (STRF) to relieve or mitigate economic losses suffered by California residents who were students attending schools approved by, or registered to offer Short-term Career Training with, the Bureau for Private Postsecondary and Vocational Education.

You may be eligible for STRF if you are a California resident, prepaid tuition, paid the STRF fee, and suffered an economic loss as a result of any of the following:

1. The school closed before the course of instruction was completed.

2. The school’s failure to pay refunds or charges on behalf of a student to a third party for license fees or any other purpose, or to provide equipment or materials for which a charge was collected within 180 days before the closure of the school.

3. The school’s failure to pay or reimburse loan proceeds under a federally guaranteed student loan program as required by law or to pay or reimburse proceeds received by the school prior to closure in excess of tuition and other cost.

4. The school’s breach or anticipatory breach of the agreement for the closure of instruction.

5. There was a decline in the quality of the course of instruction within 30 days before the school closed or, if the decline began earlier than 30 days prior to closure, the period of decline determined by the Bureau.

6. The school committed fraud during the recruitment or enrollment or program participation of the student.

You may also be eligible for STRF if you were a student that was unable to collect a court judgment rendered against the school for violation of the Private Postsecondary and Vocational Education Reform Act of 1989.”

(c) The Bureau shall mail the Notice and Explanation of student Rights under the Student Tuition Recovery Fund, Form STRF 06, effective January 1, 2002, to students soon after an institution's closure or upon request from a student for an explanation of his or her rights under the Student Tuition Recovery Fund.

NOTE: Authority cited: Sections 94774 and 94778, Education Code. Reference Section 94810, 94825, and 94944, Education Code.